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24 November 1981

LATIN AMERICA REPORT

No. 2406

CONTENTS

ENERGY ECONOMICS

CHILE

Construction on Hydroelectric Complex Discussed (Eliecer Villarroel Medina; EL MERCURIO, 17 Oct 81)	1
Briefs	
Antuco Power Plant Capacity	3

COUNTRY SECTION

INTER-AMERICAN AFFAIRS

Committee of Latin America News Service Opens Meeting (LA ESTRELLA DE PANAMA, 26 Oct 81)	4
Belize, Costa Rica Sign Health Agreement (Belize City Domestic Service, 28 Oct 81)	5
Briefs	
Peruvian-Ecuadorean Foreign Ministers' Meeting	6
Regional Press Coordinator	6

BELIZE

Briefs	
UDP Statement on Dialogue	7

BOLIVIA

Daily Urges Government Radio Network Be Disbanded (Editorial; PRESENCIA, 3 Nov 81)	8
Briefs	
Japanese Loan for Hospital	10
Import Figures	10

BRAZIL

Cals Meets With Qadhdhafi in Tripoli; CPRM Opens Office (GAZETA MERCANTIL, 9 Oct 81)	11
IAE Justifies Construction of Space Center in Alcantara (JORNAL DO BRASIL, various dates)	13
Faces Class-Action Suit 'Complete Space Mission' Delayed	
Trade Balance Shows First Surplus in More Than 3 Years (O ESTADO DE SAO PAULO, 8 Oct 81)	16
Briefs	
ENGESA Contracts Increase	18

CHILE

Economist Says Foreign Debt Necessary for Progress (Alvaro Bardon; EL MERCURIO, 22 Oct 81)	19
Court Sentences 11 Extremists to Exile (EL MERCURIO, 23 Oct 81)	21
New Law Effects Changes in Stock Market Practices (EL MERCURIO, 22 Oct 81)	23
Stock Market Most Affected by Economic Situation (LA TERCERA DE LA HORA, 21 Oct 81)	25
Briefs	
Tremor in Central Region	26
Balance of Payments Deficit	26
Army Deputy Commander Returns	26
Tremors in Fifth Region	26
Army Promotions, Appointments	26
Armored Cavalry Force	27
Consumer Price Index Increase	27
FRG Under Secretary Visit	27

COSTA RICA

Station Urges Expulsion of Foreign Troublemakers (Editorial; Radio Reloj, 2 Nov 81)	28
----------------------------------------------------------------------------------------------	----

CUBA

Veiga Closes Industrial Projects Review Meeting (Roberto Veiga Menendez; TRABAJADORES, 12 Sep 81)	29
Veiga Addresses FAR Civilian Workers National Plenum (Roberto Veiga; TRABAJADORES, 19 Sep 81)	32

Statement Issued at End of Berlinguer Visit (GRANMA WEEKLY REVIEW, 25 Oct 81)	37
Various Military Award Presentations Reported (VERDE OLIVO, 4, 11 Oct 81)	39
FAR Civilian Workers Camilo Cienfuegos Vocational Schools Anniversary of Radio Engineers Military Enterprise Rewarded	
EL SALVADOR	
Budget Cut Due To Drop in Fiscal Revenues (LA PRENSA GRAFICA, 25 Oct 81)	45
Government Creates Institution To Aid Refugees (LA PRENSA GRAFICA, 28 Oct 81)	46
GUATEMALA	
Indians' Need for Protection From Subversives Cited (Editorial; DIARIO DE CENTRO AMERICA, 23 Oct 81)	47
Commentator Views Emergency Laws Implementation (PRENSA LIBRE, 23 Oct 81)	49
Briefs Radio Station's Anniversary	51
HONDURAS	
PINU Leader Views Upcoming Elections (Miguel Andonie Fernandez; SULA TIEMPO, 21 Oct 81)	52
Reorganization Begins in Finance Ministry (Domestic Service, 29 Oct 81)	56
MEXICO	
Diaz S.: Moscow Assignment Is Not Exile (EXCELSIOR, 13 Oct 81)	58
Japan Plans Increased Investments (EXCELSIOR, 29 Oct 81)	60
Romero K.: No Speculation With the Peso at Any Cost (EL SOL DE MEXICO, 29 Oct 81)	62
MMH: We Must Not Depend Totally on Oil Exports (EL SOL DE MEXICO, 29 Oct 81)	65

NICARAGUA

Political Leaders Comment on FSLN Proposal (LA PRENSA, 18 Oct 81)	67
D'Escoto Statements in Brazil, Ecuador Reported (Various sources, 5, 7 Nov 81)	70
Criticizes U.S. Government U.S. Intervention 'Serious'	
Wheelock Discusses Regional Situation in Statement (Various sources, 6 Nov 81)	72
Notes 'Militarism' Criticizes U.S.	
COSEP Communique on Meeting With Sergio Ramirez (Radio Corporacion, 28 Oct 81)	74
Reagan Foreign Policy Termed 'War of Conquests' (Ignacio Briones Torres; Managua International Service, 25 Oct 81)	75
Chamorro Family Interviewed by Peruvian Magazine (Violeta Chamorro, Pedro Joaquin Chamorro Interview; CARETAS, 26 Oct 81)	77
Social Christian Leader Discusses Need for Dialogue (LA PRENSA, 22 Oct 81)	80
Columnist Analyzes History of Country's Revolution (Gustavo A. Rayo; LA PRENSA, 28 Sep 81)	82
Democratic Revolutionary Youth Holds Meeting (LA PRENSA, 1 Oct 81)	84
Sandinist Youths To Hold National Assembly in December (Sergio Colina, Ramon Brizuela; JUVENTUD REBELDE, 21 Sep 81)	88
Trade Union Members Discuss Training in CSSR (O. Kasina; PRACE, 21 Oct 81)	90
COSEP's Disavowal of Forum Accord Criticized (Radio Sandino, 22 Oct 81)	92
Sandinist Leaders Address Teachers Congress (Radio Sandino, various dates)	93
Ramirez Statement, by Sergio Ramirez Bayardo Arce Statement	

Julio Lopez Seeks Support for Peace Proposal (Various sources, various dates)	95
Lopez in Washington Lopez Mission Criticized, by Wilfredo Montalvan	
Sandinist Police Set Weapons Turn-In Deadline (Radio Corporacion, 23 Oct 81)	98
Berlinguer States Opinions in Farewell Document (Sistema Sandinista Television Network, 23 Oct 81)	99
Briefs	
Arce Support for Cuba	100
Social Democrats Support Robelo	100
PSD Statement on Violations	100
Spanish Trade Mission	101
Cigar Production	101
Mexican Credit	101
Radio Station Reopening	101
New Auxiliary Bishop	101
PANAMA	
Panama Canal Policies, Director Criticized (Various sources, various dates)	102
Letter to Gianelli Commentary on Gianelly Statements, Editorial	
PRD Requests Support From FRG Foundation (Jose Montano; LA PRENSA, 5 Nov 81)	106
PARAGUAY	
Briefs	
Swedish Ambassador	108
FRG Delegation	108
Spanish State Secretary	108
Trade Balance Deficit	108
Cost of Living	108
PERU	
Morales Bermudez Discusses Terrorism, Political Parties (Francisco Morales Bermudez Interview; OIGA, 26 Oct 81) ..	109
Editorial Views Left, Opposition's Role (Editorial; OIGA, 12 Oct 81)	112
Trotskyite Reportedly Killed by Civilian Police (AFP, 1 Nov 81)	115

Briefs

Former President on Economic Policy	116
Soviet Delegation	116
Canadian Loan for Reforestation	116
Customs Strike Declared Illegal	116

CONSTRUCTION ON HYDROELECTRIC COMPLEX DISCUSSED

Santiago EL MERCURIO in Spanish 17 Oct 81 p C13

[Article by Eliecer Villarroel Medina]

[Text] Talca--"I have been amazed at the progress of the work being done on the Colbun Machicura hydroelectric complex." So said Col Sergio Perez Hormazabal, intendant of El Maule, on making his first official visit to the construction work underway in Linares Province.

While emphasizing the series of present and future results deriving from the project, the official also praised the national engineers, technicians, and workers who, in addition to facing up to the technological challenge and cooperating with the Chilean-American, French, Spanish, and Brazilian consortiums, are helping, through their experience, skill, and initiative, to deal with difficulties that turn up in the daily work.

The current pace of the work, which is underway on several fronts, requires the participation of 478 clerical employees and 2,470 workers. At the beginning of 1982, over 5,000 people will be working there.

During a chat with workers at the outlet of the diversion tunnels from the Maule River--whose construction is almost finished--Colonel Perez said that Gen Augusto Pinochet Ugarte, president of the republic, will be invited to visit the worksite during the first half of November.

The intendant's first contact with the construction site was by air as his helicopter took him over the area where the main dam for the future reservoir and the diversion tunnels are being built and where the Machicura and Chiburgo power stations will be located. He then went to the area where the Penciahue power station will be started in 1987. He was accompanied on his tour by Luis Court, project manager for ENDESA [National Electric Power, Inc], and Mario Campero, head of the Colbun-Machicura project.

The visit was concentrated on the diversion tunnels from the Maule River, which are necessary for forming the Colbun reservoir. There are two parallel structures, one 875 meters and the other 800 meters long. Their construction, which is the responsibility of the Chilean-Brazilian consortium, will require the use of 80,000 cubic meters of concrete.

Damsite

Colonel Perez later inspected the work that has been started by Gordo-Atkinson, the Chilean-American consortium, to build the main dam for creating the reservoir--the basic structure in the project. Its waters will cover an area of 46.6 square kilometers, mainly river bottoms and poor-quality farming areas.

In addition to the dam, it will also be necessary to build a spillway and the following dikes: Norte, El Colorado, Centinela, Centenario, and Sur. They will enclose the site that will be covered by water.

Although the Colbun-Machicura project comprises many structures, a large number of which are under construction, the sites visited by the intendant of El Maule were sufficient to enable him to see exactly what is being done.

Creation of the artificial lake on the Maule River will regularize a drainage area of 5,710 square kilometers and permit the use of its resources for hydroelectric and irrigation purposes.

The Colbun reservoir will store a volume of 1.49 billion cubic meters of water.

11798

CSO: 3010/121

BRIEFS

ANTUCO POWER PLANT CAPACITY--The Antuco hydroelectric plant, which is situated in the foothills of the Andes Mountain range in the eighth region, has an annual average production of 1.8 billion kilowatt hours which represents approximately 25 percent of the electricity which the National Electric Power, Inc (ENDESA) will produce this year. [PY042206 Santiago EL MERCURIO in Spanish 23 Oct 81 p 5]

CSO: 3010/267

COMMITTEE OF LATIN AMERICA NEWS SERVICE OPENS MEETING

PA262320 Panama City LA ESTRELLA DE PANAMA in Spanish 26 Oct 81 pp A-1, A-10

[Text] The Action Committee of the Latin American Special Information Service Agency [ALASEI] will open its first ordinary meeting this morning in Panama City.

The deliberations of the organization, which is a branch of the Latin American Economic System [SELA], will open today and close 29 October. The delegates of the nine member-countries will discuss the committee's schedule of activities and annual budget during the sessions.

The participants in this important regional meeting are: Presidential adviser Julio Croscors, representing Costa Rica; Enrique Gonzalez Manet, a Foreign Ministry official, representing Cuba; Courtney Gibson, chief editor of GUYANA NEWS, representing Guyana; Luis Javier Solanilla, general coordinator of social communications of the presidency, and Fernando Fasano, presidential adviser, representing Mexico; Guillermo Rothschuh Villanueva, general coordinator of social communications of the Interior Ministry, representing Nicaragua; Alejandro Alfonzo, general sectorial director of planning and budget of the Information Ministry; Josefina Guevara, of the Foreign Trade Institute, and Jose Adrian, Information Ministry adviser, on behalf of Venezuela; and Boris Moreno, private secretary of the president of the republic; Pablo Azael Tsimogianis, vice minister of the presidency; Victor A. Mirones Jr, general coordinator of information of the presidency of the republic, and presidential adviser Eduardo Stein, on behalf of Panama. Haiti's confirmation is pending.

The SELA's and UNESCO's permanent secretariates will be represented by Luis Alberto Chocano, chief of projects of the Directorate of Regional Cooperation, and German Carnero Roque, regional UNESCO adviser, respectively.

Peru has accredited His Excellency Luis Solaris Tudela, its ambassador to Panama.

There is great expectation in connection with this meeting because it will discuss and approve the guidelines for the creation of the first Latin American News Agency, which will help report accurately on and interpret the most important regional events, in their just and real dimension and exactly as they occur in our Spanish-speaking region and in the Caribbean.

CSO: 3010/259

BELIZE, COSTA RICA SIGN HEALTH AGREEMENT

FL280236 Belize City Domestic Service in English 0100 GMT 28 Oct 81

[Text] Minister of Health, Housing and Cooperatives Mr Assad Shoman has held a press conference to explain the terms and details of an agreement on cooperation in the field of health which has been signed between Belize and Costa Rica. The agreement was signed last week in Costa Rica between Minister Shoman and Costa Rica's Minister of Health Dr Carmelo Calvosa Chacon.

At the press conference this afternoon in Belmopan, Mr Shoman explained that the bilateral agreement covered seven basic areas. These are malaria control, rural and community health, maternal and child health, (?elders) health, environmental control, health education and control of (?contagious) diseases.

Under the agreement, Costa Rica will send to Belize specialists who will offer professional advice covering these areas. Belizean patients who require highly specialized medical care can now be treated in Costa Rica. Speaking on this, Minister Shoman explained that this will be of great benefit in that the patients will now receive emergency treatment much faster due to direct airline connections, and the cost will be lower as Belizean patients will be charged the same as Costa Rican nationals. The medical bill will be at cost price.

The agreement also covers training for Belizean doctors in Costa Rican hospitals in specailized fields of medicine and calls for efforts to conclude agreements to promote the training of Belizeans in the fields of nursing, medicine, paramedical personnel and graduate studies.

Referring to other matters, Mr Shoman answered a question concerning the proposed new hospital for Belize City. Mr Shoman reported that there had been some problems in locating funding for the new hospital, but he said that now as an independent country other possibilities now are open and very shortly he hopes to have a final word on the funding for the hospital. And he added that it is certainly his intention to go ahead with the project.

CSO: 3020/21

BRIEFS

PERUVIAN-ECUADOREAN FOREIGN MINISTERS' MEETING--Foreign Minister Javier Arias Stella reported that he will travel to Panama to attend the conference of the Latin American Economic System [SELA]. He made this statement on opening the conference of plenipotentiaries on the plan of action for the protection of the marine environment and coastal areas of the South Pacific. [Begin recorded interview with Arias Stella] [Question] Do the Peruvian and Ecuadorean foreign ministers have any meetings scheduled to definitely solve this conflict (?between the two countries)? [Answer] The presence of Ecuadorean Foreign Minister Valencia [as heard] will give us an opportunity to meet in the near future and will open the path for a continuing dialogue and coordination to put an end to this conflict. [Question] When will this meeting take place? [Answer] I think that in Panama we will have the opportunity to exchange ideas, and I will be pleased to do so. [Question] Will this take place this year or next? [Answer] This year. [End recording] [Excerpts] [PY101722 Lima Domestic Service in Spanish 1200 GMT 10 Nov 81]

REGIONAL PRESS COORDINATOR--Juan Molina, president of the Union of Nicaraguan Journalists, said that representatives of the Central American and Panamanian Journalist Associations have agreed to create a regional press coordinator. The agreement was reached by delegates of the six countries attending the ninth congress of the International Organization of Journalists (IOJ), Molina added. The Central American press coordinator will establish its offices in Managua. Its goals include the development of more intensive support for the Salvadoran and Guatemalan people's struggle and the reinforcement of Central American solidarity with the Nicaraguan revolution. [Text] [PA241741 Managua International Service in Spanish 0030 GMT 23 Oct 81]

CSO: 3010/259

BRIEFS

UDP STATEMENT ON DIALOGUE--Opposition leaders have said that they see many positive benefits and developments emerging from the dialogue between the government and the opposition agreed to in August. This was stated at a press conference held by the opposition United Democratic Party [UDP] in Belize City this morning. Present were UDP leader the Honorable Theodore Aranda and deputy UDP leader the Honorable Philip Goldson. The opposition leader expressed satisfaction with the dialogue between the government and the opposition, particularly by the fact that reports from the House of Representatives are being transmitted in their entirety. But, he said, there is still room for a more positive development of the dialogue. Opposition leader Aranda seized this opportunity to announce that the first panel discussion between government and opposition representatives is being prepared for broadcasting next week. The opposition leader also announced at this morning's press conference that the UDP will take part in the forthcoming municipal election scheduled for December. [Text] [FL211916 Belize City Domestic Service in Spanish 0115 GMT 21 Oct 81]

CSO: 3010/259

DAILY URGES GOVERNMENT RADIO NETWORK BE DISBANDED

PY060324 La Paz PRESENCIA in Spanish 3 Nov 81 p 3

[Editorial: "Radio Network"]

[Text] The president has stated several times that freedom of the press and of expression will be fully restored; that the suspension of the radio network imposed as of 17 July 1980 "is under study"; that "within a few days radios will be allowed to broadcast their own newscasts." These promises, however, have not been fulfilled.

Both the Apostolic Nunciature and the Bolivian Episcopate conference have requested guarantees and freedoms for the operation of those stations that belong to the Catholic Church--some of which are located in mining centers--that in July 1981, along with Radio Fides of La Paz, were destroyed by those paramilitary groups that caused so much damage in the country. The demands made by the church have gone unheard; however, Catholic radios, like all other radios belonging to union groups, continue to be off the air. They are not even allowed to broadcast educational or amusement programs.

The government has stated that it will act in compliance with the laws of the nation and the constitution; it has expressed its intention to improve the image of our country; expressed its aspiration to clean up institutions and government-owned enterprises; it has expressed its respect for human rights; that is, it has expressed its intention to restore all those rights that have been suppressed in Bolivia for over a year. A few days ago a UN mission was in Bolivia to study the human rights situation in the country. This mission was assured by the Bolivian Government that the rights of the people are and will be respected.

We must admit nevertheless, that in the last 2 months since the new president has assumed power things have changed: citizens--although "punished" by a curfew--can enjoy a margin of freedom; there is in short a restricted freedom; there has been a decrease in persecutions and imprisonments, although the members of the Government Security Service (SES)--which now goes by another name--continue to make arbitrary arrests. Nevertheless, political problems tend to decrease because rights are beginning to be restored and perhaps by so doing the president and his government will obtain the support and understanding of the people.

But it has still not been understood that freedom of press and expression is a basic right of all peoples. Freedom of expression, a heritage of the civilized world, does not exist in Bolivia in the measure that it should be practiced. At present there is a radio network that undermines the government itself since it incites rumors, gives biased information and, therefore, does not deserve the trust of the people. Moreover, it is a government monologue in view of a fearful and silenced audience. Private radios cannot broadcast their own programs. A special law prohibiting this has been issued as if a law is not in itself a means to control all excesses.

We reassert that freedom of the press and of expression are the best means to avoid the spread of rumors. It is up to the government to support its own statement and fully restore freedom of expression. In other words, let Bolivian radios, including those belonging to mining districts and unions, exercise a right that is truly theirs. The government should suspend the network that is broadcast by the government radio.

Our country has its laws, and its citizens and institutions have always abided by them. It is not right to restore rights and freedom little by little. Laws guarantee the rights of governments and people alike.

CSO: 3010/246

BRIEFS

JAPANESE LOAN FOR HOSPITAL--The Bolivian Social Security Ministry and the Japanese ICA [expansion unknown] Company have signed an additional agreement which will allow the construction of a modern hospital in the city of Trinidad. [PY111301 La Paz Radio Illimani Network in Spanish 0100 GMT 11 Nov 81]

IMPORT FIGURES--According to information disclosed by the Economic Statistics Department of the National Statistics Institute, Bolivian imports during the first 6 months of the year amounted to \$436,540,000, of which 53.23 percent was for the import of capital goods, 26.84 percent for raw material and semimanufactured goods and 19.48 percent for consumer goods. [PY111301 La Paz PRESENCIA in Spanish 1 Nov 81 p 10]

CSO: 3010/246

CALS MEETS WITH QADHDHAFI IN TRIPOLI; CPRM OPENS OFFICE

Rio de Janeiro GAZETA MERCANTIL in Portuguese 9 Oct 81 p 8

[Text] The Mineral Resources Prospecting Company (CPRM) opened a new front for selling geological services in North Africa, with a possibility of billing \$20 million in exploration, planning and preparing a "Libyan minerals-prospecting model." The information was given this newspaper in Rio de Janeiro yesterday by Carlos Eugenio Farias, CPRM marketing superintendent, who spent 1 week in Tripoli for negotiations that were also participated in by Mines and Energy Minister Cesar Cals.

Direct negotiations with Col Mu'ammad Qadhdhafi, president of Libya, were "a complete success," so that at the end of this month the director of the Libyan Central Department for Mineral Resources, Mohamed Ghuma, will come to Brazil, accompanied by a team of Libyan technicians, to work out the timetable for establishing this agreement on mineral cooperation, "the first made with a country of Latin America."

According to Carlos Eugenio Farias, Libya, which now develops only petroleum, has good possibilities of extracting ferrous, nonferrous, metallic and energy minerals from its subsoil, and Brazil was able to sign this agreement "thanks to the privileged position it enjoys today in the Arab world." Because Brazil is not a colonizing nation, and with the strategic support of Itamaraty [Brazilian Foreign Affairs Ministry], the negotiations proceeded more rapidly.

Next month the CPRM will install in Tripoli the first central office for geological services in Africa, to manage the prospecting that will begin in eastern Libya using geophysical, geological and geochemical exploration methods for the purpose, according to Carlos Eugenio Farias, of learning the nation's mineral potential.

The work will be done by 15 Brazilian geologists, who are to reside in Tripoli permanently. "Besides this, the CPRM will use Libya as an operations center for all its marketing activity in Africa, currently its primary target in search of new contracts in the geological area," said Farias.

Libya will send to Brazil 10 technicians and specialists in geology for a program of training in mineral technology and mineral, geophysical and geochemical analysis. All will receive intensive training in the CPRM laboratories in Rio, visit the company's regional offices and serve internships at the Mineral Technology Center, inaugurating an extensive Brazilian program for transferring mineral technology to Libya.

Besides this initial cooperation, Eugenio Farias reveals the beginning of discussions between the CPRM and the Libyan Agriculture Secretariat to prepare a program for seeking groundwater throughout Libyan territory.

CPRM, which has 10 years of experience in drilling for groundwater, will submit to the Libyan Government a service proposal for drilling 300 wells in 1982.

According to Carlos Eugenio Farias, Libya is investing about \$40 million in the water program to find a supply of drinking water for its population of 3 million.

The CPRM superintendent says his state enterprise will send before the end of this year a special mission of hydrology experts to submit a program for finding groundwater.

With the Libyan agreement for transferring mineral technology, personnel training, exploration and scientific exchange--which in the long run could produce \$60 million of revenue--the CPRM is inaugurating a new trading bridge with Third World countries.

This marketing strategy was begun in 1980 by the CPRM's former director, Eliseo Visconti, who was looking for an alternative way of increasing income for the state enterprise, which at that time was devoted exclusively to rendering services to the DNPM [National Department of Mineral Production] and the DNAEE [National Water and Electrical Power Department].

The first contracts were signed with the People's Republic of Guinea, for geological exploration, and a contract for \$1.3 million has just been concluded with the Republic of Somalia.

8834

CSO: 3001/15

IAE JUSTIFIES CONSTRUCTION OF SPACE CENTER IN ALCANTARA

Faces Class-Action Suit

Rio de Janeiro JORNAL DO BRASIL in Portuguese 27 Sep 81 p 24

[Text] Sao Luis--"Alcantara will return to its splendor of the past and will be prominent internationally, not only for its historic values, but also for being a city of the space age." This is one of the passages of a report from the Space Activities Institute [IAE] to justify construction of a space center in the municipality for launching missiles and tracking satellites.

The center will bring progress, increase tourist traffic, create jobs with installation of new industries and promote the architectural treasures of its preserved areas. The Air Ministry asserts that "the exceptional geographic and climatic conditions and the convenience of launching satellites in either polar or equatorial orbit," were the principal reasons for choosing an area of 500 square kilometers in Alcantara (1 and 1/2 hours from Sao Luis by boat) for the rocket base.

Tests

The report--also signed by the Department of Research and Development and the Aerospace Technology Center of the Air Ministry--also stresses that in 1965 the nation entered the space age, making its first tests for launching rockets at the Barreira do Inferno base in Natal, Rio Grande do Norte, known today as "the space capital of Brazil."

It stresses that the space program advanced with the Sonda I and so far 50 Sondas II and 10 Sondas III have been launched and by 1983 "we will be launching the first Sonda IV, in the final preparatory stage for launching the Satellite Launching Vehicle."

Due to lack of space in Barreira do Inferno, creation of a new launching base became imperative and urgent. In Alcantara, a municipality with 3,000 inhabitants in its seat and 16,000 in its rural zone, where most of them preserve the roots of their ancestors (the Tupinamba Indians), the Air Ministry promises in 6 years "a new economic thrust," as soon as the base is installed.

Lawsuit

The report does not go into detail about the strategic reasons for the base, a problem that is being questioned by the residents and by the Committee to Defend

Sao Luis Island. The committee is preparing a class-action suit against the president of the republic and the governor of the state, "for collaborating in yet another crime against the city's historic heritage," surveyed in 1948 by the National Service of Historic and Artistic Heritage.

The Air Ministry acknowledges the difficulties of "adapting a new urban policy created by the infrastructure for installing the base" to the city's present provincial system. It promises, therefore, to create new jobs in the area of the Alcantara Space Center--which is already being marked off--with innovative impact on the economy. Activities of local fishermen and craftsmen will be studied so they can be organized into fishing cooperatives and handicraft centers.

It also promises to assist the rural population through classifying land appropriated for farming and livestock, division of lots and agricultural areas for locating rural settlements and basic services such as schools, pharmacies, commerce and health stations. The project also includes a drinking-water supply system, a sewerage system for solid and liquid wastes and energy systems. Both a primary and a secondary source of energy will be installed.

Construction

Plans for the base also provide for a port, electric and telephone lines, access roads and urbanization. Hotels, hospitals and fire stations will be built with participation by the state government and the ministries of Air, Health, Labor, Transportation and Mines and Energy.

The report guarantees that creation of the base will not harm historic relics and, with the increase of tourist demand, the government will assist in restoration and protection of historic monuments.

The Air Ministry also announces installation in the area of a fishing industry, a minerals-extraction industry for construction materials, commercialization of the babassu nut, utilization of tides for generating energy, vocational schools and an alcohol distillery.

Special construction of a strategic nature will include building an airport with paved runway, several ramps for rocket launching, service terminals, highways, radar stations and telemetry stations.

'Complete Space Mission' Delayed

Rio de Janeiro JORNAL DO BRASIL in Portuguese 4 Oct 81 p 35

[Text] Sao Paulo--The "complete space mission" has been delayed for 4 years and, as revised by COBAE (Brazilian Space Activities Commission), will have funds of about \$850 million to launch the first four Brazilian satellites--two meteorological and two for remote sensing--between 1985 and 1993, with Brazilian technology.

At a commemorative service yesterday to observe the 20th anniversary of INP (National Space Research Institute), its director, Professor Nelson de Jesus Parada, asserted that "the complete Brazilian space mission will dominate to a considerable

extent the space activities of the 1980's and will permit Brazil to take a position occupied by few nations today."

Integrated

The INPE director emphasized that the "complete space mission" is an integrated project of the institute and the IAE (Space Activities Institute), associated with the Aerospace Technology Center. The INPE will be responsible for building the satellites, the tracking system and ground data-collection stations; the IAE will take care of the rocket-launcher for the satellites: the VLS (Satellite Launching Vehicle).

He explained that the first phase, which will last until 1993 and will be completed with launching the four satellites, consists of developing and constructing satellites of 200-300 kilograms and launching them into low orbit, of up to 1,000 kilometers. These satellites will have a useful life of 2 years and will replace the existing U.S. and European satellites.

The satellites, whose construction will have domestic technology and the active participation of Brazilian industry, will weigh between 200 and 300 kilograms and are to orbit at an altitude of between 600 and 700 kilometers. The first two will be for retransmitting to a central station atmospheric data--meteorological, climatological, hydrological, etc.--obtained from a network of automatic collection platforms distributed throughout the national territory.

8834

CSO: 3001/15

TRADE BALANCE SHOWS FIRST SURPLUS IN MORE THAN 3 YEARS

Sao Paulo O ESTADO DE SAO PAULO in Portuguese 8 Oct 81 p 32

[Text] After 3 years and 9 months, Brazil's trade balance showed its first cumulative surplus, \$209 million in the January-through September period, thanks to a \$245 million surplus last month that more than made up for a deficit of \$36 million accumulated during the first 8 months of this year. At the end of 1977, with a surplus of \$97 million, the trade balance had shown its first yearly surplus since the beginning of the petroleum crisis. By the end of this year, the trade surplus may reach \$1 billion.

Definitive data for the trade account through September were announced yesterday by Finance Minister Ernane Galveas and the ministry's secretary general, Carlos Viacava, accompanied by two assistant secretaries general who are responsible for trade-balance statistics. They all expressed pleasure with the results because, beyond being the first time since December 1977 that the trade balance reversed the pattern of consecutive cumulative deficits, it is the fifth and largest consecutive monthly surplus obtained this year.

Galveas predicted that, if the trend continues, with exports and imports following the current pattern, there will be a \$1 billion trade surplus by the end of 1981, although Brazilian exports are not likely to reach the desired goal of \$26 billion. Instead, they will be about \$24 billion, while imports will be held to about the same level as last year, approximately \$23 billion.

Record

Exchange receipts were \$2.085 billion in September, the best monthly result in the history of Brazilian export statistics. That amount should be maintained through the end of this year, and may increase if prices for agricultural products recover as a result of lower international interest rates and stronger European currencies, according to projections by Galveas and Viacava.

Restricting imports also contributed to the \$245 million surplus last month, as they remained on virtually the same plateau as previous months this year: \$1.840 billion, compared with \$2.201 billion in September 1980. Galveas thinks there will be a slight increase during the next 3 months, as happens at the end of every year, due to brisker economic activity. He added, however, that this increase will not be very significant.

From January through September exports were \$17.003 billion, this leaving \$7 billion to be obtained during the final quarter if the \$24 billion goal is to be reached. In the same 9 months of last year, exports were \$14.4 billion, which means there was an 18.1 percent increase this year. Had it not been for the poor performance of coffee sales, off 37.9 percent in the January-through-September period from the same 9 months of 1980, exports would probably have increased 27.9 percent (this was the aggregate increase of exports of other commodities, manufactures and processed goods). Petrobras had record exports of fuel and crude petroleum, with sales of \$131 million in September, raising exports of petroleum derivatives to \$894 million during the first 9 months, compared with \$526 million all last year.

Imports fell 2.8 percent through September, with total purchases of \$16.794 billion, compared with \$17.276 billion from January through September 1980. Petroleum imports, which represented 47.2 percent of expenditures, increased 9.2 percent. From January through September last year we spent \$7.257 billion for petroleum, compared with \$7.927 billion this year. In September alone petroleum cost \$943 million; it cost \$947 million in September of last year. According to Viacava, this happened because the price of a barrel of oil in September this year is almost the same as it was in September 1980.

The Finance Ministry secretary general also stressed that obtaining a surplus was helped by the fact that the country no longer needs to import agricultural products. During the final months of last year Brazil imported enormous quantities of corn and powdered milk. Viacava mentioned once again that if it were not for higher interest rates, weak European currencies and the protectionism of rich nations Brazil could export \$2 billion more.

Brazil's Foreign Trade (in millions of dollars)

Category	September 1981	September 1980	Difference in:		January- September 1981	January- September 1980	Difference in:	
			Dollars	Percent			Dollars	Percent
Exports:								
Total	2,085	1,802	+283	+16.0	17,003	14,400	+2,603	+18.1
Coffee	115	261	-146	-55.9	1,338	2,153	- 815	-37.9
Others	1,970	1,541	+429	+27.8	15,665	12,247	+3,418	+27.9
(Petrobras record: \$13 million (petroleum) + \$118 million (derivatives) =\$131 million [Total for September 1981])								
Imports:								
Total	1,840	2,201	-361	-16.4	16,794	17,276	-482	- 2.8
Wheat	90	64	+ 26	+38.5	620	703	- 83	-11.8
Petroleum	943	947	- 4	- 0.4	7,927	7,257	+670	+ 9.2
Others	807	1,190	-383	-32.2	8,247	9,316	-1,069	-11.5
Trade Balance	+245	-399			+209	-2,876		

8834

CSO: 3001/15

BRIEFS

ENGESA CONTRACTS INCREASE--Sao Paulo--ENGESA [Specialized Engineers, Inc], which closed out the first 6 months of this year with export contracts of \$100 million, now shows an increase of 300 percent over this total, with new contracts reaching about \$400 million. The company has an association with Bell Aerospace Textron, of the United States, for furnishing technology and joint participation in bidding on U.S. armed forces contracts. The latest award the two companies participated in jointly in the United States was won by ordnance manufacturers General Motors of Canada, Alvis and Cadillac Gages. After the contract was awarded, however, it was discovered that two of the manufacturers had only prototypes and were not producing on an industrial scale, which led to another invitation to bid. ENGESA hopes to have good results in this latest effort to supply the Urutu amphibious model to the U.S. armed forces. [Text] [Rio de Janeiro JORNAL DO BRASIL in Portuguese 20 Oct 81 p 19] 8834

CSO: 3001/15

ECONOMIST SAYS FOREIGN DEBT NECESSARY FOR PROGRESS

Santiago EL MERCURIO in Spanish 22 Oct 81 p A3

[Commentary by Alvaro Bardon]

[Text] Recent years have witnessed the presence of a minority group of intellectuals who definitely do not like what is going on here. Their displeasure has less to do with personal rights than with the development being experienced by the economy and the consequent well-being being enjoyed by the great majority of the people.

They are learned individuals of varying political stripes who, although declaring themselves in favor of development, progress, and the broadest freedoms, continually exhibit their concern over the invasion of consumer goods, the supposed waste of money on travel and imports, traditional dances on Sundays, flowers in the squares, weekend sports and, in short, all the forms of expenditure proper to a growing and progressive economy that is providing well-being for the vast majority, whose tastes, naturally, are different from those of our thinkers.

Those groups, who call themselves progressives but who are basically opposed to progress, are now worrying about the foreign debt and the deficit on current account in the balance of payments. They strongly criticize the current experiment and say that it cannot continue, predicting devaluations, protectionism, crisis, and ruin. This has been their custom over the past few years, during which they have consistently been wrong.

It is easy to see that the critics of foreign debt are basically supporting the idea that the country should grow more slowly. Opposing foreign debt is the same as saying that Chile must finance its growth solely with domestic savings and, therefore, that it must develop at a rate of 1 or 2 percent per year instead of the 7 or 8 percent that we have seen in recent years.

As is known, the deficit on current account in the balance of payments represents foreign savings, and that, combined with domestic savings, is what finances the investment permitting more rapid growth.

The experience of all the countries that are growing rapidly (among them some in Latin America and the Far East) shows that a sizable portion of their investment is financed with foreign savings and that as a result--and by definition--those countries must pass through several periods of high indebtedness and a continually rising

deficit on current account. Rapid development requires foreign credit for investment, and its presence means the appearance of a deficit in the trade balance and on current account. Considering those deficits undesirable is the same as saying that the country's development must be slower.

The high debt and large deficit on current account in well-structured economies--which Chile's currently is (open to the outside, no deficit spending, a fixed exchange rate, high reserves, and no price controls)--merely reflect the development that we are experiencing, and in that context, they are not in any way alarming.

Perhaps those criticizing the debt and the deficit are not doing so because they yearn for a static and socializing economy with no growth. But it is difficult to believe that that is not the reason, since they are intellectuals of note who must know that development is a function, to some extent, of foreign savings.

It is difficult to understand those progressives, at least if one is guided by their official statements. They are bothered by consumption, imports, the foreign debt, and the deficit on current account. But they say they are worried about the well-being of the people. They say they want development, but they immediately contradict that by the specific stands they take.

Is it possible that they have a new formula for improving the population's standard of living without providing it with goods and services? It is possible that they have designed a different means of development that involves no debt, little investment, and few goods and services, but a great deal of solidarity, speeches, music, words, and participation.

Everyone to his own taste. It is understandable that there should be people who want to return to the pastoral society, the medieval city isolated from the rest of the world, or a socialist Cuba with no corrupting goods and services. All right. But what is not all right is that those people claim to be intellectuals or thinkers. Although, in reality, a "thinker" is anyone who thinks, regardless of the quality of his thinking.

11798

CSC: 3010/162

COURT SENTENCES 11 EXTREMISTS TO EXILE

Santiago EL MERCURIO in Spanish 23 Oct 81 pp C1, C6

[Text] German Hermosilla, prosecuting judge of the Presidente Aguirre Cerda Court of Appeals, has issued a judgment in the first instance sentencing 11 members of the MIR [Movement of the Revolutionary Left] to exile (expulsion from the national territory to the place of their choice). The defendants--members of the Michimalonco Command of the banned MIR--were tried on charges of taking over churches and land, forming a proselytizing youth organization, and providing armed protection for rallies in the southern zone of the capital.

The defendants were sentenced to periods of exile ranging from 541 to 1,623 days.

Another member of the same extremist command was sentenced to banishment in the locality of Caldera.

Painter Hugo Riveros Gomez was a member of the above-mentioned Michimalonco Command. He was stabbed to death by unknown persons last 8 July, and his body turned up in a section of the Maipo Ravine.

The investigation of that case has been completed (without determining who was responsible) by the judge of the 18th Criminal Court. Concerning the Riveros Gomez case, Prosecuting Judge Hermosilla has declared a nonsuit in the case he is examining for violation of Decree-Law No 77 on illegal associations.

Under the first-instance sentences handed down by Prosecuting Judge German Hermosilla, the 11 MIR members are to be exiled for the following periods: Norma Orellana, 541 days; Victoria Gallardo, Ramon Casanellas, and Miguel Yanez, 1,082 days; Valeriano Dinamarca, Carlos Gonzalez, Kenny Sanchez, and Adolfo Abarzua, 1,200 days; Juan Rojas, 1,082 days; and Rodolfo Ahumada and Manuel Orellana, 1,623 days.

Patricia Chieppe, the 12th defendant, was sentenced to 541 days of banishment in Caldera.

The extremist organization was disbanded in three stages by members of the security services.

The first MIR member arrested was Juan Alejandro Rojas Martinez, 28. His arrest apparently occurred after authorities discovered suspected coordinated action not only

in the takeover of a church in San Miguel but also in the illegal seizure of land in the town of La Bandera in June of last year.

On 14 August 1980, another six members of the Michimalonco Command were apprehended: Rodolfo Fernando Ahumada Gonzalez, 32; Miguel Eduardo Yanez Valdes, 27; Valeriano Jorge Dinamarca Bravo, 27; Kenny Ruperto Sanchez Contreras, 19; Norma Angelica Orellana Riffo, 21; and Ramon Antonio Casanellas Leiva.

The First Military Prosecutor's Office brought action against the MIR members for "protecting subversive acts and demonstrations," but the Ministry of Interior later started proceedings before the ordinary courts of justice for violations of the Security Law and Decree-Law No 77.

Prosecuting Judge German Valenzuela of the Santiago Court of Appeals initiated the trial and drew up the original charges. He later disqualified himself, saying that the crimes had been committed in the jurisdiction of the Presidente Aguirre Cerda Court of Appeals.

The trial was then continued by Prosecuting Judge German Hermosilla, a member of the Presidente Aguirre Cerda Court of Appeals. Brought before the judge in question were MIR members Patricia Chieppe Cruz, Victoria Gallardo Casanellas, Carlos Gonzalez Guzman, Hugo Riveros Gomez, Manuel Humberto Orellana Riffo, and Adolfo Ernesto Abarzua Carrasco. They were charged with being responsible for violations of the Security Law and Decree-Law No 77 on illegal associations.

11798
CSO: 3010/162

NEW LAW EFFECTS CHANGES IN STOCK MARKET PRACTICES

Santiago EL MERCURIO in Spanish 22 Oct 81 pp A1, A12

[Text] Yesterday in Los Angeles, the president of the republic signed the laws on corporations and the stock market, which introduce thoroughgoing changes into existing legislation. Both laws were approved by the Ruling Junta last Tuesday night, and the texts were then taken to the president for his signature, thus clearing the way for their publication in the DIARIO OFICIAL.

The stock market law lays down simple requirements for the establishment of new exchanges (there are currently two: in Santiago and Valparaíso), prohibits transactions aimed at manipulating the stock market by fixing or altering prices, and establishes various measures for protecting stockholders through the provision of adequate information.

The law has 13 titles and 73 articles. The titles are: 1) Objectives of the Law, Supervision, and Definitions; 2) Securities Register and Information; 3) Continuous and Confidential Information; 4) Issues of Long-Term Warrants of Indebtedness; 5) Secondary Market; 6) Stock Brokers and Security Brokers; 7) Stock Exchanges; 8) Prohibited Activities; 9) Information and Control; 10) Responsibilities; 11) Sanctions; 12) Recourse against Illegal Acts; and 13) General and Temporary Provisions.

Establishment of New Exchanges

The law lays down several requirements for the establishment of stock exchanges. Exchanges have an indefinite life and require at least 15 stockholders and a minimum paid-up capital equivalent to 60,000 development units (a little more than 73 million pesos at the moment). Each stockholder will be allowed to own only one share of stock in the exchange in question. A broker can exercise his activity in more than one exchange by acquiring the corresponding share of stock in each of them.

In order to operate, every stock exchange must prove to the satisfaction of the appropriate superintendency that it is organized and capable of carrying on the functions for which it is responsible.

The original legislation (Decree with Force of Law No 251 of 1931) provided that "a single stock exchange may be established in any city with a population of more than 150,000." And to begin operating, the exchanges had to have authorization from the president of the republic, subject to a report from the superintendency.

Transparency of Market

The new law stipulates that stock exchanges must regulate their stock-exchange activity and that of the brokers and enforce strict compliance with such rules so as to insure the existence of a market that is equitable, competitive, orderly, and open and aboveboard.

Prohibited Activities

It is stipulated that it is a violation of the present law to effect securities transactions with a view to the stabilization, fixing, or artificial alteration of prices. (Activities aimed at stabilizing prices can be engaged in only in accordance with general rules established by the superintendency.)

It is also illegal to quote fictitious prices or engage in fictitious transactions in connection with any security, whether such transactions are effected on the stock market or through documents executed privately.

No person may effect transactions or attempt to persuade anyone to buy or sell securities, whether covered by this law or not, by means of any deceitful or fraudulent act, practice, mechanism, or scheme.

For the purposes of this law, "securities" are taken to mean any transferable paper, including shares of stock, options to buy or sell shares, bonds, debentures, shares in mutual funds, savings plans, commercial paper, and, in general, any type of credit and investment.

11798

CSO: 3010/162

STOCK MARKET MOST AFFECTED BY ECONOMIC SITUATION

Santiago LA TERCERA DE LA HORA in Spanish 21 Oct 81 p B1

[Text] The Chilean economy will grow faster than most of the world's leading economies, and the estimated growth rate for this year will not be above 5 percent or below 3 percent, according to Eugenio Blanco, chairman of the Stock Exchange.

The leader discussed the topic "Stock Market Conditions and Prospects" during a roundtable sponsored by the magazine ESTRATEGIA that focused on the economy's current situation and its prospects.

Blanco said that the slower growth in comparison with the same period in 1980 will be due to the sharp drop in prices for our chief export products, reflected in the fact that export shipments had already dropped by about 14.8 percent in the first 7 months of this year.

He also mentioned the high discount rates being borne by the financial market throughout 1981 and emphasized that the sector most affected by current conditions has been the stock market, which has been characterized by a general drop in stock prices and a lower level of activity than that observed last year.

As a result of lower prices and the low level of actual trading in stocks, the volume of shares traded during the first 9 months of 1981 totaled only 12,183 million pesos, while the figure for the same period in 1980 was 18,777 million pesos.

He added that a comparison of the two volumes in terms of September 1981 prices shows a drop of slightly more than 35 percent in real terms.

For his part, Maximo Honorato, chairman of the Chilean Construction Council, noted that the contributions being received by the pension fund administrators [AFP's] are intended for long-term investment and for increasing investment in the country.

In sizing up the problems in the housing market and possible ways of solving them, he pointed out that at present, 95 percent of the funds collected by the AFP's are put into short-term investments, with only 5 percent going into long-term investments, and that this is counterproductive.

Their collections represent more or less 2 billion pesos per month, and according to Honorato, that money should be invested in particular in the country's construction sector, which currently accounts for 50 percent in the employment of capital.

Lastly, he pointed out that it is necessary to change the system of housing subsidies through suitable regulation in combination with a change in the tax policy as a means of stimulating investment.

BRIEFS

TREMOR IN CENTRAL REGION--Santiago, Chile, 7 Nov (AFP)--The police reported here today that a strong tremor was registered early this morning in the central region of Chile, but that there were no injuries or damage.³ According to the Chilean University Seismology Institute, the tremor, which caused panic among the people, was registered at 0030 local time (0330 GMT) and had an intensity in Santiago of 5 degrees on the scale from 1 to 12. It was noted that the epicenter was located 30 km out to sea off the city of La Ligua, located 154 km north of Santiago. In the cities of La Ligua, Illapel, Salamanca, Petorca and Quillota, all located north of Santiago, the tremor registered 7 degrees on the Richter scale. The Valparaiso police have reported that in Valparaiso, the main Chilean port, the tremor registered 6 degrees but that there were no injuries or damage. It was noted moreover that a similar tremor was registered on 15 October in the north central region but that it did not cause injuries or damage. [Text] [PY071341 Paris AFP in Spanish 1221 GMT 7 Nov 81]

BALANCE OF PAYMENTS DEFICIT--The Chilean Central Bank has reported that the balance of payment from January to September 1981 shows a deficit of \$2.2 billion. During this period Chilean exports reached \$3 billion while imports reached \$5.2 billion. [PY060008 Santiago Chile Domestic Service in Spanish 1630 GMT 5 Nov 81]

ARMY DEPUTY COMMANDER RETURNS--Chilean Army Deput- Commander Lt Gen Washington Carrasco Fernandez has returned to Santiago. The high-ranking army officer attended the 14th inter-American army commanders meeting that was held in Washington. He was welcomed at the Merino Benitez Airport in Pudahuel by the army chief of staff, Maj Gen Julio Canessa Robert. [Text] [PY111156 Santiago Chile Domestic Service in Spanish 1000 GMT 11 Nov 81]

TREMORS IN FIFTH REGION--Since last Saturday, 16 tremors have been registered in the 5th region. The intensity of the tremors have ranged from 3 to 4 degrees [no scale specified]. According to Valparaiso and Vina Del Mar seismology experts the epicenter of these tremors is located in the sea fault located 30 km from the coast. [Text] [PY111158 Santiago Chile Domestic Service in Spanish 1000 GMT 11 Nov 81]

ARMY PROMOTIONS, APPOINTMENTS--In a ceremony at the Defense Ministry today, President Pinochet promoted the following colonels to the rank of brigadier general: Eduardo Ibanez Tilleria, appointed commander of the 1st division in

Antofagasta; Cesar Manrique Bravo, commander of the recruiting division; Belarmino Lopez Navarro, deputy commander of the 6th division in Arica, and Fernando Arancibia Reyes, commander of the 4th division in Valdivia. [PY100257 Santiago Chile Domestic Service in Spanish 1630 GMT 9 Nov 81]

ARMORED CAVALRY FORCE--According to Army Secretary General (Jorge Sentes), as of March the cavalry and armored forces will be united in order to form an armored cavalry force which will be headquartered in (Quillota). [PY100257 Santiago Chile Domestic Service in Spanish 1630 GMT 9 Nov 81]

CONSUMER PRICE INDEX INCREASE--Santiago, Chile, 2 Nov (LATIN-REUTER)--According to the Nation Statistics Institute, the consumer price index during the first 10 months of this year increased 8.8 percent; it reached 25.4 percent for the same period of time in 1980. [PY100257 Buenos Aires LATIN in Spanish 1818 GMT 2 Nov 81]

FRG UNDER SECRETARY VISIT--(Otto Schiff), under secretary for economic policy affairs of the FRG, has arrived in Chile to discuss bilateral economic relations. Yesterday he met with government junta member Fernando Matthei with whom he discussed domestic aspects and international economic issues. [PY102227 Santiago Chile Domestic Service in Spanish 1000 GMT 10 Nov 81]

CSO: 3010/267

STATION URGES EXPULSION OF FOREIGN TROUBLEMAKERS

PA022022 San Jose Radio Reloj in Spanish 1130 GMT 2 Nov 81

[Station editorial]

[Text] The government of the republic has asked El Salvador to (?extradite) the group of terrorists that hijacked a plane in our country. The mere announcement that these people in a [words indistinct] school of hatred and terror may return to Costa Rica deeply worries us.

If we often choose to infringe upon the laws for the sake of peace, justice and the atmosphere of tolerance in which we Costa Ricans traditionally live, we think that these are all the more reasons for them to be tried in absentia and not to hold them in our nation's jails so they can establish a school of terrorism for the groups of common criminals or launch a wave of terror among similar or rival groups in our country.

Leftist and rightist groups are vying for power in the world. The school of terrorism is the most nefarious one. The use of terrorism as a weapon by groups which are equally dangerous--be these leftist or rightist--is a worrisome matter. It has to be a source of concern for us Costa Ricans who are not used to it. The best evidence of this fact--which is a source of pride for us and which should be taken into account by the courts--is the attitude of the only Costa Rican in the group of terrorists. He chose to submit to our courts and to be in our jails rather than be part of an international school of terrorism and to take part in assaults and thefts.

We insist that it is necessary to expel all people who have come to this country to subvert order here and abroad. We have no need for these groups of foreigners who come here to create conflicts. After this experience, it is time to take steps to expel any leftwing or rightwing foreign guerrillas who arrive or are in our country, without any consideration.

Let President Carazo desist from his interest in bringing back these Somozists who would only come to this country to create problems. Let them be tried in El Salvador under that country's laws and not in our country, where we run the risk of [witnessing] further hijackings and robberies.

CSO: 3010/265

VEIGA CLOSES INDUSTRIAL PROJECTS REVIEW MEETING

Havana TRABAJADORES in Spanish 12 Sep 81 p 2

[Speech by Roberto Veiga Menendez, alternate member of Political Bureau of the party and secretary general of CTC, at Second Industrial Projects Emulation Review held at Wajay textile mill on 10 September 1981]

[Excerpts] Comrades:

We have the pleasant duty of closing this review, the second this year for the Special Industrial Projects Emulation saluting the 10th WFTU Congress. This great international assembly of the workers will be held for the first time in our America, here in Havana, in February 1982. Holding this event in our country acquires singular importance with the crucial situation of the world today due to the arrogant position of U.S. imperialism. With its ultrareactionary policy, it leads the world to the brink of a conflagration which would have incalculable consequences for mankind.

As you know, the revolution is carrying out an industrialization process in the country. Along with the mechanization and use of chemicals in agriculture, this is the fundamental economic basis for the construction of socialism in today's world. Large resources that come from the effort and sweat of the workers are allocated each year to carry out those plans. You as industrial builders have a very important function in the economic development of the country.

What is the significance of the industrial installations that, to a certain degree, depend on you? In addition to representing very important sources of employment for the tens of thousands of youths who reach working age each year, they are also an indispensable factor in national development. In some cases they are industries whose production will be directly consumed by the people. In other cases, they are industries that will permit us to substantially expand production of exportable goods. In others, they are industries that will replace imports. Those plans include industries that are indispensable in order to construct the above industries; we are referring to those related to the generation of electricity and the production of materials like cement. The successful achievement of that gigantic plan of the revolution will mean permanently ending the underdevelopment inherited from capitalist exploitation. Not only will we be in the position to slowly satisfy our own needs, but we will be able to continue expanding our solidarity with other fraternal peoples who are freeing themselves and trying to end their backwardness and poverty inherited from imperialist exploitation.

All this imposes the urgent need to fulfill these plans each year. A project that is not completed by its termination date or does not have the required quality means a delay on our road to development. As is known, the plan for 1981 totals 273.4 million pesos which represents 16 percent more than was actually carried out last year and 90 percent (almost double) the 1976 achievements.

It is encouraging to know that, at the end of the first half of this year, the industrial projects construction enterprises fulfilled their plan by 99 percent and, in relation to the annual plan, achieved 50 percent fulfillment.

We can also point out that if we take into consideration the constructed value of other MICONS [Ministry of Construction] enterprises, fulfillment in the first 6 months reached 100 percent and 49 percent of the annual plan. These enterprises have produced 20.9 million pesos more in the first 6 months of 1981 than in the same period last year.

Nevertheless, these important achievements in the fulfillment of the plan for constructed value are not matched by achievements in completion of projects. To give an idea, we can point out that out of 173 projects to be finished this year, only 28 projects had been completed by the end of the first 6 months.

We have been informed that the existing problems have been caused basically by shortage of complete plants, shortage of construction equipment, high rate of equipment breakdowns and shortage of skilled construction workers.

Certainly these are generally beyond the control of the workers. Nevertheless, we can and must make efforts to counterbalance or neutralize some of the effects of these problems. The workers and their union organization, together with the administration, must devote their attention to anything that helps improve and strengthen construction organization and the efficient execution of each one of the planned projects.

We think that we all agree that the Special Industrial Projects Emulation can play a decisive role in the achievement of these and all the objectives that you propose for yourselves. As is known, emulation is an instrument to mobilize the workers to achieve just aspirations, particularly in reference to the materialization of economic plans and the development of our revolutionary awareness. However, it is also a process; we cannot view it as something finished or perfected. Therefore, the union leaders in particular and the workers in general must periodically analyze not only the level of fulfillment of the commitments made during the emulation but also the work methods used to truly help fulfill the tasks that we have proposed. It permits us to discover errors that can affect it and eliminate them in time like mechanism, superficiality and lack of control. An indispensable factor in order for the emulation to play its role is to publicize the indices, requirements, commitments and degree of fulfillment achieved at each review. This can be done directly with the workers in general assemblies and department, brigade and shift assemblies and meetings. There can also be publicity using their own media as well as the mass media in the area. The emulation can and should help strengthen the conscious enthusiasm of the workers and stimulate the development of their creative initiative in order to eliminate existing problems.

In our opinion, the provincial union leadership as well as the union bureaus and sections should analyze and adopt measures to strengthen and develop emulation between crews, work objectives, departments, etc. and measures concerning publicity. What has been done and what is being done to stimulate the best workers and push those who are behind? We think that that analysis must cover technical and cultural education including the battle for ninth grade and work safety and hygiene. We believe that that broad analysis which should be done periodically will lead to valuable initiatives that will help strengthen the special emulation among industrial projects workers.

In our opinion, you, as representatives of your work comrades, could inform all the collectives--through general, brigade and department assemblies and in Leadership Councils--of the results of this second emulation review, of the agreements and suggestions derived from the fruitful discussions held last night in the committees. Of course, this is not enough. It is necessary to formulate concrete measures that lead to the positive fulfillment of all those agreements adopted, to work for them, supervise them, evaluate them and publicize them. We trust that everyone will redouble his efforts to fulfill his commitments and, in this way, win the Ho Chi Minh Red Flag which the construction workers of the Santiago de Cuba meat-packing plant hoist with rightful pride today.

In our opinion, the results of the second review are very encouraging, not only because of the favorable results obtained and the agreements adopted, but for the valuable education it provides for all, the combative spirit and sense of responsibility shown by each one of you and the firm determination to continue forward.

Comrades:

In the name of the CTC [Central Organization of Cuban Trade Unions] and the party, I give you our warmest congratulations on your successes and your firm determination to win new victories for the fatherland and socialism.

Thank you very much.

7717
CSO: 3010/ 164

VEIGA ADDRESSES FAR CIVILIAN WORKERS NATIONAL PLENUM

Havana TRABAJADORES in Spanish 19 Sep 81 p 2

[Conclusions presented by Roberto Veiga, secretary general of the CTC and alternate member of the Political Bureau of the PCC, at FAR Civilian Workers National Plenum on 18 September 1981, "Year of the 20th anniversary of the Bay of Pigs"]

[Excerpts] Comrades:

This plenum takes place at a time when we are still feeling the impact of Fidel's brilliant major speech at the opening of the 68th Conference of the Interparliamentary Union. His words went directly, and in depth, to the analysis of the serious problems that dramatically and dangerously affect the world today. At the end, our commander in chief strongly denounced to the world the aggressive and adventuresome policy that the fascists that prevail in the present U.S. administration carry out against our fatherland.

The imperialists are intensifying their slander campaigns against Cuba, increasing their aggressions and concocting new plans to try to make us waver. They shamelessly threaten a military blockade and even a direct attack against our country.

The aggression and threats of our enemies strengthen our spirit of victory and reaffirm our determination to be well prepared to give a resounding and devastating answer if they try something against Cuba. This shows the importance of increasing our efforts to be more efficient economically and to strengthen our combat readiness and training.

The present situation increases the importance and the role of the FAR civilian workers. It is precisely this union that most directly links production and defense. You are a priceless force to fulfill the urgent tasks to strengthen the defensive capacity of the country.

Tomorrow the union celebrates its 10th anniversary. You FAR civilian workers and all your union leaders were sent greetings from the minister of the FAR, Army Gen Raul Castro. In the name of the party, the chiefs, officers, sergeants and soldiers, he congratulated you and recognized the important role that you play in the defense of the fatherland. He also exhorted you to continue to work with enthusiasm and responsibility to fulfill the tasks that the revolution has entrusted to you.

We are sure that you will receive that greeting very happily but you will also see it as a commitment, an urgent commitment to multiply your efforts and exercise greater influence on the common task of all our people to strengthen the defensive potential of the country.

The minister's greeting expresses the rightful satisfaction that our FAR feels in the concrete accomplishments achieved by the union during these 10 years. This is the result of the work of this young, combative and brave detachment of the Cuban union movement. It is also--as should be recognized on a day like today--the result of the high esteem and the growing support that our worker organizations have had from the military institutions, especially the minister of the FAR, Army Gen Raul Castro. This, of course, is only conceivable when the chiefs, officers, sergeants and soldiers of the FAR are fully in agreement with the ideology of the working class as in our case. The ties that unite them to our working people are ones of mutual respect, affection, admiration and unconditional loyalty.

The union has proposed to salute its next congress that will be held early next year with an unprecedented fulfillment of all its activities, increasing its influence on: the development and increased combat training and readiness; the strengthening of discipline; the stimulation of maintenance, repair and conservation of technology and armaments; the physical preparation of the land; construction; services of every type; the progressive increase in savings of all resources; the growth of productivity; the untiring fight against problems; the improvement of work organization and wages; greater cultural and technical education of its members; the commitment to respect existing labor and social legislation; and the development of the political, revolutionary and communist awareness of the workers.

These objectives will be achieved to the degree that the union, in close coordination with the administration and the commands, is capable of promoting the active, enthusiastic and conscious participation of its members. This shows the importance of organizing and stimulating the different forms of worker participation in economic activity, especially socialist emulation and production and service assemblies.

In spite of accomplishments, the union still has not consistently exploited the many and varied possibilities that socialist emulation offers us. It has been recognized that emulation functions in military and industrial enterprises; it is well organized, arouses the interest of the workers and is matched by concrete and measurable achievements. Nevertheless, that same esteem does not exist for the organization and development of emulation in the rest of the activities. What keeps us from organizing a special emulation among the construction workers where there are concrete indices and the interest of each brigade, project and enterprise is stimulated to be named "distinguished" in the reviews that are convoked periodically? Is it perhaps that we cannot stimulate from above and create the desire in all the brigades, projects and enterprises to be named "distinguished" and deserve the recognition of the union, the party and the military commands? What keeps us from periodically selecting and rewarding those workers who are most distinguished in the fulfillment of military construction plans? What keeps us from organizing similar emulation initiatives with the workers who work on hospitals, schools, hotels, laundries, presses, newspapers and other activities and services? As comrade Roque pointed out in his report, the union could make good use of the emulation experiences that other union organizations of similar workers have accumulated.

Why isn't "Construction Worker's Day" a motivation for all the military construction workers to fight to win the right to hold this commemorative ceremony? Why aren't there activities during "Construction Worker's Day" to stimulate the most distinguished construction workers within the union? Why isn't this done to commemorate "Health Worker's Day" and "Education Worker's Day"? Why isn't something done to recognize the efforts of those who work in different jobs and professions? This will never detract from "FAR Civilian Worker's Day." In our armed forces, the commemoration of "Tank Driver's Day," "Navy Day," "Aviation Day," etc. does not detract from the celebration of "FAR Day."

We must remember that fulfillment of the safety and hygiene measures is a requirement to win the awards established in our socialist emulation. This is not a mechanical reminder; we do this deliberately because it is a task to which we must give emphasis. This activity has great social, human and revolutionary significance. The union work on this front is still unsatisfactory. There are real problems and there is a lack of material resources that frequently hinders improvement of working conditions and acquisition of safety devices that are necessary. We all know that many times these real problems cover up a lack of determination and negligence in solving problems. On many occasions, inappropriate working conditions or dangerous situations persist that can be improved if there is the willingness, if there is sensitivity, if there is the determination. Lighting can be improved by installing one or two more bulbs. A little paint can be put on an area. There can be reinforcing welds at certain places. The indispensable safety gloves or boots can be acquired. Much more could be done to improve work safety and hygiene. It is the duty of the union to fight to have everything done that can be done within our limitations.

During the first 6 months of the year, the union fought to systematize and expand the organization and content of production and service assemblies. This is one of the most important forms of worker participation in economic activity. These assemblies can play an important role when there is the willingness to bring to them revolutionary criticism of poor work, self-criticism of one's own problems and mistakes and just demand that the maximum be done to solve problems. At these assemblies, the workers must learn the progress of the plan and its problems and contribute ideas to improve it. They must analyze quality and promote initiatives to improve it. They must evaluate the fulfillment of consumption norms and suggest measures to improve savings. They must adopt agreements to increase maintenance, reinforce labor discipline, improve work organization, comply with labor and social legislation, encourage fulfillment of the safety and hygiene measures and strengthen the education and skill of the workers. When these tasks are discussed at these assemblies and decisions are made to confront them, these assemblies help increase the economic efficiency and education of the workers. They help them think, assimilate, speak, suggest, believe and acquire a feeling of ownership and interest in maximum use of the workday and increased productivity.

There has been an effort to transfer the results of the production and service assemblies to the representative assemblies that you hold in different enterprises.

In order to learn, resolve or explain the main problems derived from this process, the branches of the armed forces and armies are holding what has also been called

"representative assemblies" in which representatives of the workers from different units participate. The union comrades are very happy with the results and prospects of this initiative which has received participation, understanding and support from the main FAR chiefs and political workers.

We have no doubt that when the chiefs and political workers of a branch or army meet periodically with the union and the representatives of the enterprises and the units to discuss the problems not solved at the production and service assemblies, to face and solve situations that can cause confusion, disagreement and disorientation and to learn the readiness and the state of mind of the workers and act accordingly, there will be positive repercussions on work results. In a practical and direct way, the ties that must unite the union and the administration for the great common objective will be strengthened. In this case, the objective is the consolidation and guarantee of the combat readiness of the FAR. The systematic practice of this method can be a great help in reaching the union congress with many problems solved.

With criticism and self-criticism, the plenum covered the results of the recent enrollment in the battle for ninth grade. There were places where the work was poor so the union only fulfilled the plan by 93 percent.

Nonfulfillment at this stage will force you to make a supreme effort to incorporate all those enrolled into the classrooms, promote their attendance and continuation and guarantee their graduation. Nonfulfillment at this stage will force you to increase efforts in the February 1982 enrollment in order to try to compensate for lack of fulfillment this year.

What we do in 1981 and 1982 is a decisive factor in meeting the goals for this battle. This task has greater technical and organizational complexity than the battle for sixth grade. Several years of study are needed to acquire the knowledge to graduate from ninth grade. We must fulfill this goal by 1985. If the union does not have the immense majority of the planned number of workers studying in the first 2 years of the 5-year period, that union will certainly not succeed. We cannot harbor the false illusion of making up for any delay, appealing to a final effort in the last years of the 5-year period. That is impossible. This battle will be won or lost in 1981 and 1982. We hope that the FAR Civilian Workers Union adopts the measures that the situation requires and makes it possible for our labor movement to fulfill this great new educational commitment to the party and our chief and mentor, comrade Fidel.

There is an urgent need to work to eliminate delays in several tasks and to promote initiatives to improve others. However, we must recognize that in recent months there has been a positive reaction in union work. It met the established indices for this first 6 months in our great national emulation saluting the "10th WFTU Congress" which, as is known, will be held in Havana in February 1982. There has been significant progress in work organization and the application of the General Wage Reform and in the process of self-inspections ordered by the CTC [Central Organization of Cuban Trade Unions] to detect and correct existing violations of labor and social legislation. The union received the congratulations it deserved from our CTC. Notable progress was seen in the incorporation of workers to political studies. The union was first in the country in fulfilling its annual plan to

finance the Territorial Militia. The achievements in the collection of union dues were encouraging and there were quantifiable and tangible results in the organization and development of volunteer work. An eloquent expression of this work was the Sunday for mass volunteer work celebrated in all units on 13 September saluting the 10th anniversary of the formation of the union. At the end of that fruitful day, a message was read in all the work places where the efforts of the union during these 10 years were pointed out and the conscious determination of its members to continue contributing, with renewed impetus, to the increased combat readiness and capacity of our FAR was emphasized.

Of course, if we were asked what the basic progress achieved by the union recently has been, we would state that it has been a substantial change in work methods and style which has helped improve ties between the main leaders and union locals and workers. That is very important. The union section is the root of our organization and the direct, daily and principal means for carrying out our tasks among the workers.

When we make meetings with the base leaders a systematic practice, we get to know work comrades who are united and well oriented whom we can ask for and from whom we can expect progress and achievements. However, we also see leadership committees of union sections that do not meet, that do not discuss problems together, where only the secretary general works. The secretary of education does not attend classes, losing credibility to attract the masses to the great battle for ninth grade. We get to know well oriented union leaders who are sensitive to the rights of the workers and have extraordinary influence in attracting everyone to the fight to carry out duties. However, we also see union leaders who, rather than represent the workers to the administration, represent the administration to the workers. We get to know union leaders who know how to give clear, precise and convincing responses to the doubts and concerns of the workers. However, we also see union leaders who usually answer the concerns of the workers evasively and abstractly: "What do you want me to do?" "Look, you are right but that is an order from the Command." "Look, I cannot decide that." "I am not to blame." "Well, that comes from above." "All right, but that has already been decided." We see leaders who, by responding in that way, give the workers the feeling that the union is worthless.

Only by maintaining a close tie with the work centers can we educate and forge local cadres, improve the spirit of the emulation, victoriously fulfill tasks, clear up doubts, resolve or explain possible disagreements and promote solutions that are clearly understood. Only thus will we have union leaders everywhere who never defend the unjust and are always ready to defend the just as the revolution guarantees. Only thus will we have all the leaders of our union sections persevere and triumph.

The bright future of the fatherland is safe; it rests in our workers' hands. Nothing and no one can impose exploitation, unemployment, dismissals, inflation, low wages, an attack against our unions, gambling, prostitution, poor health, lack of education, repression, racial discrimination and social inequality on us again! Nothing and no one can impose humiliation and shame on us again! This country would sink first from Punta de Maisi to Cabo de San Antonio!

Congratulations on your 10th anniversary!

Fatherland or death!

We will win!

7717

CSO: 3010/164

STATEMENT ISSUED AT END OF BERLINGUER VISIT

Havana GRANMA WEEKLY REVIEW in English 25 Oct 81 p 3

[Text] ● IN RESPONSE to an invitation from Comrade Fidel Castro Ruz, first secretary of the Central Committee of the Communist Party of Cuba, Enrico Berlinguer, general secretary of the Italian Communist Party, paid an official, friendly visit to Cuba.

Talks were held in an atmosphere of friendship and esteem, feelings which characterize the relations between the Italian Communist Party and the Communist Party of Cuba.

In addition to Fidel Castro, Cuba was represented at the talks by Carlos Rafael Rodríguez and Armando Hart Dávalos, members of the Political Bureau; Jesús Montané Oropesa, alternate member of the Political Bureau and member of the Secretariat; Jorge Enrique Mendoza, member of the Central Committee and editor of *Granma* newspaper; Javier Ardizones and Denis Guzmán, section chief and official, respectively, of the Central Committee.

The other members of the ICP delegation were Antonio Rubbi, member of the Central Committee and head of its foreign department; Renato Sandri, member of the foreign department; and Giorgio Oldrini, correspondent for *L'Unità* in Cuba.

Comrade Fidel Castro reported on the situation within Cuba, paying particular attention to the fulfillment of the main tasks resulting from the resolutions of the 2nd Congress of the Communist Party of Cuba, whose achievements are already evident in the life of the country and give added impetus to the process of socialist construction in Cuba.

Comrade Enrico Berlinguer expressed his warm gratitude for the invitation to visit Cuba and reiterated the Italian Communists' appreciation of the Cuban people's gains along the path opened up by the Revolution towards the construction of a socialist society, amidst the hostility and threats of U.S. imperialism. He called for an end to the unjust blockade imposed by U.S. imperialism on Cuba and for the return of the territory illegally occupied by the U.S. military base in Guantánamo.

The general secretary of the ICP explained the Italian situation and his Party's policy to combat the crisis Italy is going through and move towards a solution by finding a democratic alternative for the leadership of the country. Comrade Berlinguer also explained the efforts and initiatives of the ICP to open up prospects for a socialist society in Italy based on respect for and development of the democratic gains, and the ICP's moves to promote understanding and cooperation among worker and popular forces of different tendencies in Western Europe.

During their meetings, Fidel Castro and Enrico Berlinguer focused attention on the two crucial issues for the future of humanity: peace and development.

The two leaders expressed their views on some international issues and the causes of the worsening international situation. They expressed their concern over mounting political tensions, contradictions and conflicts which threaten and upset international relations, as shown by the interruption of the détente process, the escalation of the arms race and the rapid worsening of the world economic situation, which has a dramatic impact on the Third World countries.

The arms race escalation will mean spending astronomical sums totaling thousands of millions of dollars in the coming years on military equipments and this will worsen the current world economic crisis considerably, making the already terrible living conditions of the peoples even worse.

Given the real danger of nuclear war, both Parties feel that active mass mobilization is of vital importance to hamper any threat to peace and to continue along the road of dialogue and negotiations. They believe that the resumption of USSR-USA nuclear arms limitation talks is positive and feel it is necessary to start a process of general, controlled and balanced disarmament with mutual guarantees.

In order to safeguard world peace and justice, an effective struggle must begin against the abysmal inequality which

characterizes relations between industrialized countries and those which were condemned to underdevelopment by imperialism and colonialism or those still suffering from dependency and neocolonial penetration. A quarter of the world population living in the industrialized countries receives 80 percent of the world income. Meanwhile, for hundreds of millions of men, women and children, life means only hunger, illiteracy and inhuman poverty. This tragic difference has torn humanity apart and threatens its future. *

Comrade Fidel Castro recalled the issues he brought up at the UN in October 1979 and during the Conference of the Inter-Parliamentary Union in September this year, stressing the proposals and commitments which the Group of 77 and the Movement of Non-Aligned Countries have made in relation to the North-South negotiations and the New International Economic Order.

The two leaders underscored the pressing need to quickly implement a real program of development aid for the underdeveloped countries which would include the required financial and technological resources.

Comrade Enrico Berlinguer said that the ICP feels that the entry of peoples liberated from imperialist domination into the world arena is one of the most important historical events of present times. He stressed the role that the working class and other democratic forces in the capitalist countries must play to obtain, starting in Western Europe, meaningful transformation of the structures of production, exchange and consumption that would be in keeping with the deepest interests of the masses and which are required to institute cooperation on an equal footing with developing countries, as part of the drive towards the common goals of justice and civilization.

Fidel Castro and Enrico Berlinguer reaffirmed their view that the Movement of Non-Aligned Countries fulfills, as an independent political force, an important role in the struggle to implement the principles upon which it is based. This was fully confirmed at the 6th Summit Meeting, held in Havana, as well as by the quest for world peace and peaceful coexistence among states and the efforts to put international economic relations on a just and equitable footing.

They examined the situation in Latin America and the Caribbean, where many countries are still suffering from the effects of dictatorships, oligarchic regimes and imperialist domination. Both leaders expressed the Cuban and Italian Communists' solidarity with the struggle of the Latin American and Caribbean peoples for liberation, independence, economic development and freedom.

They expressed their full solidarity with the Revolutions in Nicaragua and Grenada. They condemned the brutal repression used against the peoples of El Salvador and Guatemala and supported the recent FMLN-FDR proposals in the attempt to bring about peace talks and come up with a dignified and just solution to the crisis in El Salvador. They also feel that the French-Mexican declaration on El Salvador is an important step towards this end.

The two leaders advocated cooperation among peoples and nations on a new and just footing with mutual benefit.

Based on these convictions, the two Parties are convinced of the need to act to consolidate and broaden relations of cooperation and economic, political, cultural, scientific and technological exchange between Cuba and Italy.

The top leaders of the Communist Party of Cuba and the Italian Communist Party emphasized the need for this kind of frank and fruitful meeting and noted the great opportunities it provides for the development of relations of friendship and cooperation between the two Parties.

VARIOUS MILITARY AWARD PRESENTATIONS REPORTED

FAR Civilian Workers

Havana VERDE OLIVO in Spanish 4 Oct 81 p 54

[Text] "We are really satisfied with the work you are doing--you who today receive this medal are an expression of the hard work and revolutionary spirit of the working class and an example to be followed by all workers."

This statement was made by Brig Gen Samuel C. Rodiles Plana, alternate member, Party Central Committee, and first deputy commander, Western Army, at the end of the award ceremony for the "20th Anniversary of the FAR" commemorative medal to a group of civilian workers in that command.

He also noted that he is sure that each of the important tasks which today are being carried out by the Western Army will reveal this same revolutionary enthusiasm and dedication that enables these people to win this award.

Talking about the 10th anniversary of the founding of the National Union of Civilian Workers of the FAR, the alternate member of the Party Central Committee said that this was not an accidental result but, on the contrary, this date is a suitable time for recognizing the work done by our workers and expressing the admiration and love of the people, the state, and the Ministry of the Armed Forces to the workers who devote their efforts with true revolutionary passion to strengthening the country's defense.

In expressing thanks for the award of this high distinction, civilian worker Jorge Luis Gonzalez Alvarez spoke in the name of his comrades and said:

"Getting this award is another commitment which we undertake toward our party and our commander-in-chief because this expresses the love and admiration of our revolution for the Cuban working class, for those of us who daily give our support to the defense of the fatherland."

As part of this event, Lt Col Oscar Puig Cespedes, alternate member, Party Central Committee, and deputy commander of the Eastern Army in charge of political activities, replied in the name of that army's civilian workers to his comrades in the West, urging them to engage in brotherly competition in labor union work in honor of the Fourth Congress of the worker organization.

Jose Antonio Roque, chairman of the organizing commission for the Fourth Congress of the SNTC [National Union of Civilian Workers]-FAR congratulated the award winners and urged them to continue to work with dedication in order to accomplish the assigned task and to continue to materialize our slogan of production and defense.

Higher Institute of Military Medicine

"The medal which has been awarded to you and the pennants received are an expression of the respect, love, and admiration given to you by the party, the state, and the people to whom you have contributed in an outstanding form in connection with the consolidation, development, and perfection of the FAR," said Brig Gen Carlos Rodes Moro, deputy minister of the FAR, commander of the rear guard, during the award ceremony of the 20th Anniversary of the FAR Commemorative Medal, in addressing a group of workers at the Higher Institute of Military Medicine in the City of Havana.

The event was the proper setting for the institute to receive the pennant and diploma awarded by the political bureau of the Communist Party of Cuba to those who meet the requirements established in socialist competition dedicated to hailing the Second Party Congress.

The head table included commanders, officers, workers, and representatives of the party directorate, the government, and the mass organizations in the township of Habana del Este.

Gol Guillermo Rodriguez del Pozo read the resolution of the Council of State granting this high award to the group of workers at this facility "for having maintained a consistent attitude in accomplishing the assigned tasks."

After the presentation of the pennants, Carlos Infante Suarez, secretary-general of the labor union bureau at the institute, read the resolution of the Party Political Bureau, directing the award of the pennant and diploma for special competition in honor of the Second Party Congress.

After the awards were received, outstanding worker Gilberto Prieto Perez expressed appreciation in the name of the entire work force. "We pledge," he said, "to improve every day. We are and we will be the strong bulwarks of the party, the government, and the FAR."

In concluding the ceremony, Brig Gen Rodes Moro talked about the significant role played by the civilian workers in the various stages of developing the FAR. This is why he said that "the presentation of the medal and the awards granted by the party are particularly significant."

Camilo Cienfuegos Vocational Schools

Havana VERDE OLIVO in Spanish 4 Oct 81 p 56

[Text] The successes achieved by the "Camilo Cienfuegos" military vocational school in Pinar del Rio are no surprise to anybody; for 5 consecutive years, the school has won the competition among centers of this type. From the First Party Congress to the Second--a record of hard work and dedication.

Founded in 1968, the school did not begin to win victory after victory until 1975. Always in first place which this group deserves because of the interest displayed in constantly improving all educational indicators.

At the end of the academic year, to give some statistics by way of example, the "Camilo Cienfuegos" military vocational school in Pinar del Rio achieved 100 percent advancement; the same result was achieved in the study program accomplishment; 98 percent in school retention; and 99.8 percent in teacher class attendance.

But these achievements are not confined only to percentage figures. The personnel in the principal's office, the teachers and the students are satisfied with the progress made in taking care of community property, military discipline, habits of formal education, and other aspects which, together, constitute the reason why this particular military vocational school is the best in the country.

Now, this brilliant record caused the center to be selected to celebrate the 15th anniversary of the establishment of the "Camilo Cienfuegos" military vocational schools which, over the years, have been an unequalled training ground for command cadres and officers for the FAR.

The ceremony was presided over by Jaime Crombet, member Party Central Committee, and first secretary of the party in Pinar del Rio, and by Central Committee member and CG, Western Army, Brig Gen Orlando Lugo Fonte, alternate member, Party Central Committee, and President of the Provincial Assembly of People's Government in Pinar del Rio, as well as members of the party executive bureau in that province, commanders and officers of the FAR, and other invited guests.

During the ceremony, the Council of State resolution was disclosed, awarding the "Ignacio Agramonte" Medal, first class, to Capt Julio Ferrer Ferrer, principal of the "Camilo Cienfuegos" Military Vocational School in Pinar del Rio.

This award is given to commanders of major and minor units and officers of the FAR who achieve positive results during periods of instruction and who, through their self-sacrificing, exemplary, and creative work in operational, combat, and political training, help strengthen, develop, and consolidate a high level of combat training and readiness among the troops.

The "20th Anniversary of the FAR" Commemorative Medal was also awarded to civilian worker Ermenegildo Hernandez which was presented by Div Gen Ulises Rosales del Toro.

Various awards were also presented during the ceremony to comrades who stood out by virtue of their work, as well as pennants, plaques, and diplomas at this military vocational school in recognition of the meritorious work done. Outstanding among these awards is the "Collective of Heroic Tradition" plaque conferred by the Council of State.

Capt Julio Ferrer Ferrer, the principal, spoke in the name of the military vocational school; he reviewed the history of this school and underscored the determination of all directorate personnel, teachers, and students to continue to harvest victories, such as this one.

The concluding remarks were presented by Div Gen Ulises Rosales del Toro who talked about the result of obtained by the "Camilo Cienfuegos" Military Vocational School in Pinar del Rio.

The CG of the Western Army stressed the work done by the directorate, the party, the UJC [Union of Young Communists] and the labor union section at this center in achieving important successes.

In his remarks, he praised the material study base at the school as well as the quality achieved in sports, cultural, volunteer work, and competition activities.

He said that the work of the UJC has meant a lot; its members are always in the vanguard in any task assigned.

The speaker mentioned the excellent work done by Capt Julio Ferrer Ferrer at the head of the school which is why he was decorated with the "Ignacio Agramonte" Medal, 1st class.

The CG of the Western Army also said that the "Camilo Cienfuegos" Military Vocational Schools have always attained the objectives for which they were established.

Finally, Div Gen Ulises Rosales del Toro transmitted greetings from all personnel of the Western Army to the collective at the "Camilo Cienfuegos" Military Vocational School in Pinar del Rio and urged them to continue to work with the same interest and dedication.

Later, Jaime Crombet, Div Gen Ulises Rosales del Toro, Orlando Lugo Fonte, and other party leaders, commanders, and officers of the FAR went to the firing range recently built at this school to open it officially. Amid toasts and good shooting, the visitors checked out the excellent operation of this firing range and the quality of the weapons.

In conclusion, in a simple ceremony, Jaime Crombet, member, Central Committee, and first party secretary in Pinar del Rio, received the "Distinguished Service" award in recognition of his outstanding participation in the creation and development of the Militia of Territorial Troops.

This award was also presented to Orlando Lugo Fonte, alternate member, Party Central Committee, and president of the National Assembly of People's Government in Pinar del Rio, and other members of the party executive bureau in this province.

Anniversary of Radio Engineers

Havana VERDE OLIVO in Spanish 11 Oct 81 p 57

[Text] The 20th anniversary of the radio engineering troops was marked recently by a unit of this service in the western region.

The ceremony was presided over by Col Ricardo Diaz Gonzalez, first deputy commander of the troops of the DAAFAR [Antiaircraft Defense and Revolutionary Air Force] and was a suitable occasion for once again underscoring the important and complex missions carried out by the radio engineering units.

On that occasion, diplomas were awarded to comrades with 15 and 20 years of service in this special field; their self-sacrificing effort during those years of uninterrupted work was recognized in this fashion.

As a part of this ceremony, two orders by the deputy minister and chief of the DAAFAR troops were read; these orders expressed the warmest congratulations to those who for all of these years had stoically provided for the surveillance and protection of the sky over the fatherland, congratulating the members of that unit of radio engineering troops of the western region for the results achieved in the inspection completed recently.

In concluding the ceremony, Col Fernando Tomashevich Merino emphasized the most outstanding moments in the history of this specialty.

"We view the development we have achieved with profound satisfaction," he said. "In the beginning we only had a few radar stations; now our service is made up of an entire system capable of accomplishing its missions in the most complicated situation."

Later he noted that the development achieved is no accident but rather the fruit of the hard work done by our FAR in order to perfect themselves, as a result of the effort made by our working people so that these results can be achieved and due to the aid which was given to Cuba throughout those years by our dear sister, the Soviet Union.

"Now, more than ever before," he concluded, "it is necessary to improve our training levels, to learn to handle the new weapons in the shortest time possible, and to perfect our methods and work style."

Military Enterprise Rewarded

Havana VERDE OLIVO in Spanish 11 Oct 81 p 57

[Text] The workers at the "Liberacion" military industrial enterprise received the pennant and diploma certifying them as winners in the special competition in honor of the Second Party Congress.

The resolution of the Political Bureau of the Communist Party of Cuba, awarding this decoration to this group, underscores the overfulfillment of the production plan, the low absentee rate, productivity, and cultural advancement, among other successes.

Francisco Travieso, member CTC [Central Organization of Cuban Trade Unions] Secretariat, presented the pennant to the FAR vanguard worker Felix Soulet, while civilian worker Rosa Silva received the diploma from the hands of Luis Marrero, second party secretary in the township where the enterprise is located.

During the ceremony a group of outstanding technicians in various enterprise activities also received the 20th Anniversary of the FAR Commemorative Medal. A group of commanders, officers, and civilian workers also received the "Distinguished Service" awards.

The concluding remarks were presented by Lt Col Jose Legro Sauquet who talked about the role played and still played by socialist competition in the "Liberacion" military industrial enterprise.

He said that the awards expressed the very high level of revolutionary consciousness of this collective which materializes the slogan of production and defense that came out of our party Second Congress.

He also congratulated the award winners who, with modesty and self-sacrifice, accomplished each of the tasks assigned by the party, the government, and the FAR.

5058

CSO:3010/166

BUDGET CUT DUE TO DROP IN FISCAL REVENUES

PA021837 San Salvador LA PRENSA GRAFICA in Spanish 25 Oct 81 pp 3, 20

[Text] The 40 percent decrease in the nation's fiscal revenues is the main reason for cutting the 1982 national budget, according to Eduardo Melendez Flores, under secretary of revenues.

He pointed out that the country's main sources of revenue--export and import duties--are precisely the areas in which the more drastic fiscal revenues decreases have been registered. The main cause for the decrease in exports, he said, is the drop in the price of farm products which, as in the case of coffee, fell drastically. This year the coffee export decrease was estimated at 1 billion colones.

The price of other farm products also dropped. The low cotton production also contributed to the decrease in duties. Melendez Flores noted that the restriction to import luxury items has also contributed to the drastic duties drop. Automobile imports which in the past was a high source of revenue is now frozen, causing a corresponding freeze on duties.

Unfortunately, he explained, these economic difficulties have forced a decrease in the national budget, thus, the government will neither create new jobs nor replace those employees who for some reason quit their jobs.

He added, however, that the government of the republic is confident that with the present austerity policy and the positive attitude of the Salvadoran worker, these difficulties will gradually disappear and the country will again return to a more favorable economic situation.

He said the commercial balance is presently unfavorable to El Salvador, but the revolutionary government is making efforts to recover lost ground. As in the past, the country's commercial balance was favorable with most of the countries it did business with.

Finally Melendez Flores said that saving on the part of the Salvadoran people in basic consumption products, mainly fuels, would counteract the nation's economic deficit and, when deemed appropriate some commercial restrictions could be eliminated to provide a new impulse to the nation's economy.

CSO: 3010/265

GOVERNMENT CREATES INSTITUTION TO AID REFUGEES

PA291248 San Salvador LA PRENSA GRAFICA in Spanish 28 Oct 81 pp 3, 22

[Excerpt] The revolutionary government junta issued a decree creating a new institution called the National Commission for Aid to Displaced Persons [Comision Nacional de Atencion a Los Desplazados--CONADES], which should start operation in about 15 days.

The announcement was made yesterday at a news conference by Interior Minister Jose Ovidio Hernandez Delgado and Interior Deputy Secretary Col Rodolfo Antonio Revelo. They were accompanied by Oscar Humberto Quiroz, civilian governor of San Salvador Department.

This new institution will have representatives from various ministries, among them the ministries of interior, defense, planning, education, public health and other organizations, such as the Agency for International Development, UN FAO, the European Economic Community, and other institutions like Caritas and the International Red Cross, which will contribute cash, food or medicines, so that CONADES can do a good job in taking care of displaced persons, who have taken refuge in other towns to escape violence.

This group of displaced persons, or refugees, as they are also called, are mostly from the northern zones of the departments of Chalatenango, Morazan and Cabanas. The number of displaced persons is estimated at between 140,000 and 160,000 men, women, children and old people, Interior Minister Hernandez Delgado pointed out.

The conflictive situation in these places during the current year has meant for the government, particularly for the Interior Ministry, a serious responsibility for which we were not prepared, Hernandez Delgado added. The exodus of persons who fled from their homes to seek refuge in some 120 municipalities forced us, because of elemental humanitarian feelings, to help them with funds available for other projects.

Minister Hernandez Delgado indicated that through these [aid] organizations, the government is planning that the aid given to displaced persons will become productive so that they will benefit from it in activities akin to their ability and knowledge.

CSO: 3010/265

INDIANS' NEED FOR PROTECTION FROM SUBVERSIVES CITED

PA310256 Guatemala City DIARIO DE CENTRO AMERICA in Spanish 23 Oct 81 p 2

[Editorial: "The Indians Must Be Defended From the Dangers to Which the Armed Soviet Aggression Against Our Country Has Submitted Them"]

[Text] The statement that Emeterio Toc Medrano, former leader of the Committee of Peasant Unity (CUC), made to the press yesterday constitutes one of the most eloquent appeals that have so far been made so that those who have fallen into the traps of subversion, particularly the Indians, will abandon those who have deceived them, leaving aside the small fanatical group which is mostly comprised of foreigners who carry out the aggression against our country.

The way that Mr Toc Medrano speaks shows the level of education that members of the Indian sector have achieved thanks to the development of education in Guatemala. The education of these sectors is source of satisfaction for all the Guatemalan people.

Nevertheless, Toc Medrano's disclosures about subversive infiltration in Indian organizations and groups shows the dangerous situation in which subversion has placed the educated people of this sector.

Using Marxist teachings, the organizers of subversion have directed a well-organized and carefully planned campaign toward the Indian groups. As Mr Toc Medrano's statements stress, they have used tactics of persuasion and pressure.

In view of Che Guevara's failure to obtain the support of the Bolivian Indians for a guerrilla action which he thought he could immediately and spontaneously obtain, the centers which currently direct Soviet infiltration in the Caribbean and Central American region have realized that a basic ideological infiltration is essential.

They have the idea that due to the history of exploitation since the Spanish conquest, the frustrations they have experienced in modern times and their current economic and social conditions, the Indians are the most likely to fall in the snares of a Marxist revolutionary propaganda in order to then turn them against the government of their country.

The objective is to have people who are manageable and disciplined and who can be used as cannon fodder in the armed interference that the USSR carries out in Central America as part of its plan to have strong points of support in the delicate strategic zone of the center of the continent and to have the possibility of blocking the supply of raw materials and other essential products for the defense of the United States in the case of a world war.

This newspaper believes that the statements of Indian leader Emeterio Toc Medrano shouldn't be limited to publication in the newspapers and the 45 minute television broadcast which perhaps don't reach the extensive zones where most of the Indian population lives.

It would be good if the cassette were broadcast by various institutions in the Indian regions, particularly the section in which former leader Toc Medrano speaks in Quiche to address those who speak this language.

The Indian population has been the victim of the subversive aggression directed by the Soviet Union. We must intensify efforts to defend the large Indian sector of the Guatemalan people from the danger of this foreign interference.

CSO: 3010/260

COMMENTATOR VIEWS EMERGENCY LAWS IMPLEMENTATION

PA300111 Guatemala City PRENSA LIBRE in Spanish 23 Oct 81 p 2

[National Events commentary: "Constitutional Restriction"]

[Text] The last two administrations have been reluctant to use the special measures they are empowered by law to use when situations arise which disrupt public order or endanger the nation's security. The criteria that has reigned until now is that the government can face these contingencies without resorting to restricting constitutional guarantees in any way. No one doubts, however, that this position has been influenced, not so much by domestic, but by international political considerations. We should say, in favor of this position, that until now, neither the threats to national security nor disruption of public order have attained their goal of overthrowing the constitutional regime and replacing it with a revolutionary one.

We should ask ourselves, now that this topic is being discussed, if the government's criteria that events occurring in our country do not warrant restrictive measures, is beyond reproach. First of all, we should determine whether the government's capacity to act without the use of a special public order law--being as it has been sufficient to prevent subversion from attaining its goal--has meant a greater effort. Has it meant greater attrition, an unnecessary prolonging of the conflict, or would the subversive sectors have been more speedily controlled through the use of special measures? There is an undeniable fact: During the last 6 years, 4 years of the previous administration, and 2 years of the present administration, subversive activities have increased greatly, although it seemed as if its bases and leaders had been smashed and a long period of peace had been assured. The results seem to show that the subversives took advantage of the constitutional guarantees to regroup, to establish new logistics support, and to feed on the human resources exported from the south.

It could clearly be seen that this was happening from the times of General Laugerud Garcia's administration. However, in order not to adopt dictatorial positions, no effort was made to invoke the special powers contained in the laws, to prevent it from happening. Under these conditions, the following government, which is about to end its term, received a somber legacy: a strong subversive process spread throughout the republic like never before.

The laws are strict, and the nation's security forces are sufficient to insure law and order under normal situations. They are, therefore, able to do their duty and avoid causing unnecessary trouble for the government and people. However, subversion, especially when it has international links as is the situation throughout the world, is something out of the ordinary. It is so specialized and organized that a government can fall victim to its own excess of confidence. Or, as in the Guatemalan case, of a tendency to compromise with foreign factors, such international public opinion or the never concealed animosity which the Carter regime showed at all times toward Guatemala.

To a large extent, this "Carterian" animosity--since it was not only the personal attitude of the former president, but of all the levels of his administration, inhibited the Guatemalan authorities from implementing the special measures established by the law for situations of institutional danger. They feared that this decision could tilt the balance and lead to a reaction against our country and its authorities. This negative element has partly disappeared. However, it continues to weigh on the minds of those who must make decisions when the matter of special measures is considered. A deputy explained this situation very plainly when he said that if the public order law is implemented "our international enemies will say that they have cornered the government and that we are arriving at a situation similar to El Salvador's, which is not true." Therefore what matters is not the importance of the government's decision or the existing need to act in a certain manner, what matters is what the enemy will say. This is true even though the present Washington regime is very different from the previous one and has emphasized its anticommunist stance in an emphatic and vigorous manner and has expressed its interest in putting an end to the Castroite threat in the area. Therefore, is the reason justified? Decidedly not. The matter must be decided based only on what is best for the country, the need to insure institutional security in the best manner possible and decide what serves the Guatemalans best, acting with a realistic, pragmatic and objective criteria. This has been frankly expressed by the army's chief of staff in a personal manner, without the intention of interfering in decisions which are within the realm of other government officials.

CSO: 3010/260

BRIEFS

RADIO STATION'S ANNIVERSARY--Emisoras Unidas de Guatemala, S.A., will celebrate its 17th anniversary today. Headed by Radio Fabulosa, AM and FM, this network is made up of Radio 1090 also in Guatemala City, Radio Imperial in (Las Verapazes), Radio Utatlan in El Quiche, Radio Tecun Uman, in Quezaltenango, Radio Tacana in San Marcos, La Voz Del Tripico in Coatepeque, La Voz de La Costa Sur in Retalhuleu and Radio Campesina in Escuintla. [Guatemala City PRENSA LIBRE in Spanish 15 Oct 81 p 59]

CSO: 3010/260

PINU LEADER VIEWS UPCOMING ELECTIONS

PA040446 San Pedro SULA TIEMPO in Spanish 21 Oct 81 pp 10, 32

[Statement by Miguel Andonie Fernandez, leader of the National Innovation Unity Party, PINU, broadcast on a national radio and television network on 19 October]

[Excerpts] My fellow countrymen:

Almost a month away from the elections, the national political climate is one of uncertainty and fear.

The people are concerned by a series of facts, about which PINU cannot remain silent: electoral fraud; national registry of voters; agreements among presidential candidates; the accuracy of the census; the armed forces communique; the date of the elections; and a possible national accord.

Electoral Fraud

The Honduran electoral system is obsolete and is given to considerable manipulation. It is based on a census prepared for each election.

The sources on which the census is based are essentially two:

1. The birth registries entered into the civil registry kept by municipalities; and
2. The resolutions by the courts of justice, which supply entries that do not appear in the civil registry.

It is no secret that the traditional parties have vied for the control of the municipalities and the courts with such effect that, before elections are held, victory is predicted for the political party with the greatest control over them.

In view of the urgent need to reform the Honduran electoral system, PINU assumes a serious and responsible attitude, even though this is denied by those who judge the actions of others according to their own behavior.

PINU is willing to assume its share of the efforts to participate in the democratic development of Honduras. It has done so in the past and will continue to do so.

Likewise, PINU can state with pride and honesty that it has not violated the electoral law and that it stands honestly before the Honduran people.

Agreements Among Presidential Candidates

The previously mentioned fraudulent practices have, in recent weeks, provoked the first warning by the armed forces to the presidential candidates.

The armed forces said that they were reluctant to commit their prestige to the course taken by the electoral process and wished past errors to be amended. Unfortunately their appeal came too late, when there was little that could be remedied.

In view of this situation, a meeting was held among the four parties. During the talks held by the presidential candidates and the advisory commissions, PINU strived to find formulas for amendment and understanding. These were incorporated into the recently issued Decree 82.

Decree 82, issued with the intention of continuing the census revisions during October, represented a compromise among the four parties intended to strengthen the electoral process. This decree is not all that we would have liked; nor do we believe that it represents what the other parties wanted.

The Accuracy of the Census

Regarding the accuracy of the census, PINU has fulfilled the demands of Decree 82. PINU has given its unlimited cooperation to the National Electoral Tribunal.

The Armed Forces Communique

The armed forces communique of 10 October 1981 was issued under the previously described conditions. PINU did not participate in the talks that preceded the communique, but we did analyze it in detail.

What is more, PINU is concerned about the criteria it expresses: "That the armed institution will support the results of the same if (the process) is carried out freely and honestly, in accordance with the law."

PINU believes that the armed forces' statement may endanger the fundamental principle of a democracy: that all power derives from the people.

PINU also believes that if we are interested in and committed to a process of democratic restoration, we must all, without exception, submit to the law and to the institutions it establishes.

We are about to overcome an exceptional situation. We must begin by guiding our actions by the constitutional principles that limit the power of and ordain relations among the various organs of the state.

The constitution assigns the armed forces the obligation of watching over the freedom of suffrage, which does not involve a decision on the course or results of an election. This power belongs to the National Electoral Tribunal.

Also, the armed forces cannot avoid its historical responsibilities. In April 1980, it proclaimed its intention of leading the country until it turned power over to a civilian government elected by the people. The responsibility does not reside only in the political leaders, because the kind of participation that the armed forces had and still have does not permit either them or the politicians to make a tactical withdrawal.

Yes, we do agree that the sovereignty of the people is inherent to the existence of the democratic system. Yes, we do agree that the sovereignty of the people is inherent to our condition as free men of a civilized society that wishes to live in peace.

The Date of the Elections

As for the date of the elections, we must begin by reasserting that many mistakes have been made during this electoral process.

It suffers from vices and irregularities inherent in our political underdevelopment, sectarianism, abuse and the attitude of groups or persons who want to assure themselves an advantageous political position a priority.

If we cannot reach an institutional solution deserving the unanimous approval of the sectors directly involved in the electoral process, there is no alternative but to hold elections on the established date.

Fellow Countrymen

We know that our country runs an electoral risk because of the distortion of the census and that our party is the victim of irregularities that it has not provoked. However, our concern for Honduras is still greater and we do not want to raise our legitimate political interest over our concern for the nation's peace. Above all, we want Honduras to overcome this climate of uncertainty and fear.

Just as we have not committed any action to violate the results of the elections, PINU will not promote the postponement of the elections scheduled for 29 November.

We believe that a month away from the elections, the Honduran people need to be given assurances and confidence.

National Objectives

PINU's attitude would be meaningless if it did not seek a more important objective: the installation and development of the democratic process in Honduras.

Within this concept, we invite the armed forces, the country's productive sectors (businessmen and workers) and other political parties to also come out publicly

and state whether they are ready to begin the task of national salvation, discussing and approving a solemn commitment before the people of Honduras, which could include the following points:

1. Support for the present electoral process;
2. reform of the Honduran electoral system;
3. an emergency plan to reactivate the national economy;
4. creation of a government for national recovery;
5. adoption of an international policy based on the national interests of peace, freedom and progress;
6. rejection of violence as a means of solving political differences;
7. rejection of any totalitarian form of government;
8. creation of a pact of social understanding among the nation's productive sectors;
9. establishment of measures to insure honest government and to make public administration more responsive.

These proposals include what could be the beginning of a great national accord, in which the final say lies with the people of Honduras, expressed by their more representative organizations.

CSO: 3010/265

REORGANIZATION BEGINS IN FINANCE MINISTRY

PA300650 Tegucigalpa Domestic Service in Spanish 1130 GMT 29 Oct 81

[Text] The Public Relations Office of the Finance and Public Credit Ministry hereby announces that the first steps for the administrative reorganization of the Finance and Public Credit Ministry were taken yesterday to achieve a more effective administration of the state's fiscal resources.

To this end, Finance and Public Credit Minister Dr Benjamin Villanueva has appointed the following high-ranking officials in that ministry: (Roger Gonzalez), as senior official to replace (Armando Ayes Serna); (Maria Antonieta Dominguez), as general public credit director to replace (Angel Ordonez); (Gabriel Ordonez), to the General Tax Directorate to replace (Fausto Velez Suazo); (Jesus Rojas Caron), as legal adviser to replace lawyer (Leonel Castro Cuello); Marianela Baltodano, who will be in charge of the Central Personnel Office, to replace (Rodolfo Mauricio Matute) and (Jorge Danilo Lopez), who will be in charge of the General Administration Office, to replace (Linda Rita de Martinez).

On 2 November those appointed will begin evaluating the [word indistinct] of each of their respective units in order to speed up and improve their functioning. Other ministry directorates and units will (?continue) to be thoroughly analyzed in order to determine alternate courses of action in the future, depending on their activities during the next 2 months of administrative performance.

As is already known, fiscal receipts from income taxes from 1 to 15 October 1981 have dropped by 20.4 million lempiras, as compared to the same period during 1980. This has been partly due to the fact that the new system of installment payments was implemented last year and partly to delays in the payment of their taxes on the part of both individuals and corporations.

The Finance and Public Credit Ministry will immediately begin implementing the necessary legal and persuasive measures to speed up the collection of income taxes during November and December.

In addition, import taxes and charges have increased by 33.4 millions during the same period. These include the new taxes generated by Decree 14-54. However, there is still much room to improve these collections. The Finance and Public Credit Ministry is adopting the necessary measures in order to better supervise and speed up the collection of these taxes, which along with income taxes constitute two

of the most important areas of fiscal revenues for the state. Similar measures will be implemented for the better collection of taxes on production and exports.

In short, even though in 1981 fiscal receipts have increased by 51.7 million lempiras, there still is considerable room for better tax administration. To complement these measures and the administrative austerity measures already announced, the Finance and Public Credit Ministry will soon begin implementing a number of other measures alongside the Central Bank of Honduras. These measures will make it possible to attract more foreign exchange from abroad and to strengthen our international reserves position in order to give greater dynamism to the country's productive activity.

Tegucigalpa, D.C., October 1981
Finance and Public Credit Ministry

CSO: 3010/265

DIAZ S.: MOSCOW ASSIGNMENT IS NOT EXILE

Mexico City EXCELSIOR in Spanish 13 Oct 81 Sec A pp 1, 19

[Text] Yesterday, Jorge Diaz Serrano, former director general of PEMEX [Mexican Petroleum], denied that his appointment as Mexican ambassador to the government of the Soviet Union was political exile for him, remarking: "If this is political cannibalism, welcome."

Interviewed shortly after having visited the candidate Miguel de la Madrid in his PRI [Institutional Revolutionary Party] offices, Diaz Serrano, when asked whether there was a possibility of his returning to politics, replied: "I wish to return to politics in my country, but Miguel de la Madrid has the say."

The former official, who arrived at the candidate's offices with 12 bodyguards and press agent Francisco Galindo Ochoa, said that the purpose of his visit was to greet his friend, "who has now become my party's candidate, so as to convey my congratulations to him."

[Question] Sir, isn't giving embassies political cannibalism?

[Answer] This is a very strange question. I don't understand what connection there could be between "political cannibalism" and embassies. I have already said that the position which President Lopez Portillo gave me is a very honorable one, which is why I am quite contented and interested in performing the mission.

[Question] Sir, could it not be your political exile?

[Answer] I don't think so. To me, a political career is a great reward.

[Question] Don't you feel victimized?

[Answer] That is precisely what I am denying. I am saying that I am satisfied, that this is a major part of my political career and that it is highly constructive.

He noted that, as a Mexican, he is still interested in the issue of oil ("a pivot, for the nation and the world"), but he refused to answer the question concerning the risks involved in selling Mexican oil for the United States' strategic stockpile. He declared: "I shall soon be in contact with the director of PEMEX, Julio Rodolfo Moctezuma, and I shall be receiving precise instructions from him for my action with respect to the Soviet Union."

During the talk with reporters (held in the candidate's waiting room), Diaz Serrano mentioned that the relations between Mexico and the Soviet Union are close in the social, political, economic and commercial areas, remarking that he will be leaving for Moscow on 26 October for the express purpose of attending the celebrations marking the October Revolution.

2909

CSO: 3010/243

JAPAN PLANS INCREASED INVESTMENTS

Mexico City EXCELSIOR in Spanish 29 Oct 81 Sec C and F, pp 4, 9

[Text] Tokyo, 28 October (EFE)--A large Japanese economic mission will be visiting Mexico during November, for the purpose of increasing imports of Mexican products and exploring the possibilities for transferring technology and investing in the country.

The mission, organized by the Ministry of International Trade and Industry, and headed by Bunichiro Tanabe, president of the Mitsubishi Corporation, will leave Tokyo on 6 November, and will remain in Mexico until 18 November.

It consists of 131 persons, including government officials and businessmen, and is the largest commercial mission sent by Japan thus far to any country to promote imports and investments.

According to Japanese sources, the sending of this sizable group to Mexico is a response to the request made by President Lopez Portillo's government to the Japanese minister of international trade and industry, Pokusuke Tanaka, during the visit which the latter paid to Mexico last January.

In addition to meeting with Mexican government officials and businessmen, the Japanese mission will visit 30 cities in the country, including Mexico City, Guadalajara and Veracruz.

Decline in Imports

Economic observers estimate that the current status of Japanese-Mexican trade is typified primarily by a decline in imports of Mexican products by Japan, excluding oil.

This decline is so noteworthy that, in 1980, crude accounted for 26 percent of Japan's imports from Mexico, worth \$934 million, whereas, during the first 8 months of this year, oil accounted for 60 percent of those exports, valued at \$1.938 billion as of 31 August.

This means that, apart from energy, Japan imported far fewer products this year from Mexico than it did last year.

In 1980, the trade balance was favorable to Japan by \$289 million, while for the first 8 months of this year, the balance in Japan's favor stood at \$127 million.

Although the observers think that the total deficit this year will be less than that of last year, they do not fail to note that this is due to sales of oil, and not of other products.

In addition to the crude, Mexico would like Japan to import copper, manganese, coffee, fruit, vegetables, cotton, and jewelry and glass items, among other products.

2909

CSO: 3010/243

ROMERO K.: NO SPECULATION WITH THE PESO AT ANY COST

Mexico City EL SOL DE MEXICO in Spanish 29 Oct 81 Sec A pp 1, 14

[Text] Yesterday, the manager of the Bank of Mexico depicted a strong situation for our economy at the conclusion of the 6-year period. He claimed that Mexico is a viable country with solutions, which is growing while the whole world "is on its knees;" but acknowledged that, despite the progress which has been made, "there are still many basic needs that remain to be met," and there must be a correction of pressures such as inflation and the deficit in the balance of payments, which "has nearly doubled."

Gustavo Romero Kolbeck also repeated to the skeptical the warning that no speculation with the Mexican peso will be allowed at any cost or at any price, commenting that if they want to play at buying and selling, then it will be as it is in poker, "They will have to pay in order to see."

He also had words of encouragement for the critics of the foreign debt: "You need not fear...the country has resources; its development in all areas is excellent; and, furthermore, you must not think that the strength of the United States dollar is going to last a lifetime."

As for those who see pressure from abroad, or a desire to exert it, he simply reminded them that Mexico is sovereign and will not permit any type of pressure; noting that, insofar as the International Monetary Fund or the World Bank is concerned, "It's none of their damn business what we do internally."

Romero Kolbeck spoke thusly (with his by now unique manner of "translating" the language of the economists into simple explanations) before a hundred-odd finance executives representing some of the nation's leading business firms.

In his brief remarks concerning the economic situation, the head of the Central Bank noted that, from the information for the first 9 months of the year, "we can conclude that the evolution of the economic and financial variables suggests a healthier behavior of the Mexican economy than had been expected at the beginning of the year."

He added that, in fact, the production indicators show a significantly greater increase than that observed in January and February; the investment process is advancing at a more dynamic pace than last year; the rate of increase in imports has moderated; there are signs of a recovery, albeit slight, in non-oil exports; and the rate of increase in prices (inflation) during the period in question is lower than that registered last year.

He also cited major gains in the financial area: the level of attraction of bank deposits is "remarkably high" and their composition reflects "healthy conditions" because most of the bank liabilities are medium or long term, and in national currency; and the financing granted by the private and mixed banks has increased at a similar rate, thus making it possible for the rate of investment not to be reduced.

However, Romero Kolbeck explained: "There are still many basic needs that remain to be met, and structural problems to be solved over the long term, such as inflation and the deficit in current account in the balance of payments, in order to achieve a continuous growth."

He also cautioned that the great effort for growth "has fostered the advent of some short-term pressures."

In this regard, he expanded upon his statement, commenting that "it would be a delusion" to expect domestic production to satisfy the entire dynamic demand that has been evident during the past 4 years. Another short-term challenge is the deficit in current account which, at the close of the seventh month of the year, "has nearly doubled" in comparison with a similar period in 1980. However, he said that, at the same time, it has been noted that the rate of increase in imports has been declining during the year, and hence a "relative reduction" is anticipated in the increase in this deficit for the second half of 1981, adding that "it will not pose a serious problem."

The official emphasized the fact that these problems "are far from serious," in the first place because the country's foreign debt capacity has increased considerably in recent years, and because "there is a clearcut decision on the government's part to continue adopting measures against inflation and to protect the balance of payments."

He stressed: "Growth cannot be sacrificed, because it produces jobs; but, on the other hand, inflation also has effects on some major maladjustments. So, we must find the balance between these factors, while at the same time making structural changes that will enable our economy to continue growing fast, and to depend less on foreign countries."

Later, when questioned by executives and newsmen, Romero Kolbeck remarked that, in order to discuss the Mexican economy of 1982, one would need a "very huge" crystal ball. Nevertheless, he expressed the view that 1982 would be similar to 1981. The economic variables will behave as they have this year, and "there is hope that it will be possible to curb inflation even more," because there are favorable factors.

He also said that, in 1982, "We think that the deficit in current account will be more manageable, and will undergo a sizable reduction; and we hope that the industrialized countries will improve and emerge from their recession, so that they will buy more from us, and more tourists will come."

When he heard the question as to whether the country has gone to excesses in its debt, he merely replied: "You should not be so frightened."

He emphasized that Mexico has an excellent economic viability, greater than it had many years ago, with sufficient resources and an enviable growth.

He cited the advancement of the American dollar over other hard currencies, including ours, of course, but Romero Kolbeck commented optimistically that "you must not think that the strength of that currency is going to last a lifetime."

After persistent queries as to how much the IMF or the World Bank allowed us to become indebted, he promptly retorted, "It's none of the damn business of the IMF and the World Bank what we do internally."

Another individual inquired about the "slide in the peso" and asked how long it was expected to continue.

The head of the central institution almost turned the question into a joke because, as he reiterated: "It's the same boring thing as ever."

"That question about 'how long will the slide in the peso continue' seems to me to be a kind of reprimand," he remarked, while some outbursts of laughter were heard in response. However, he gave an account of the "strait jacket" that our currency had withstood for 22 years, with a fixed parity of exchange with the dollar.

In the past, he added, any fear of devaluation "made us tremble and pray to the Virgin of Guadalupe that this country would not disappear;" but now, we do not have that "strait jacket" and we have, like many other countries, opted to leave our national currency free on the market, and "things are going well for us, the Virgin of Guadalupe has worked all the miracles for us, and will continue to do so."

So, he remarked, our currency is doing well, and "we have decided not to intervene so long as this (the slide) is a matter of cents; because, otherwise, it would be like imposing a rate of exchange."

Moreover, he repeated: "If we notice speculative moves, then we would immediately intervene and put everything in motion to end any irregularity."

However, he commented that there is now a maturity among Mexicans, and there are actually few who are frightened at the movements of the peso.

2909

CSO: 3010/243

MMH: WE MUST NOT DEPEND TOTALLY ON OIL EXPORTS

Mexico City EL SOL DE MEXICO in Spanish 29 Oct 81 Sec A pp 1, 14

[Text] Aguascalientes, Ags., 28 October (OEM)--During a planning meeting, Miguel de la Madrid remarked that one of the fundamental points in our development strategy for the coming years will be to diversify the sources of supply of foreign exchange to prevent our foreign trade from depending too much on oil exports.

He said that these goals are called for in the Basic Government Plan, a document aimed at providing the population with employment and minimal welfare, and dealing with food, education, health and housing as priorities.

Hence the importance to national development of fruit growing, a sector of industry which represents a vast potential for the establishment of programs to promote exports and thus diversify our exporting activity, bolstering the country's economic independence.

The PRI's [Institutional Revolutionary Party's] candidate for the presidency of the republic spoke at the Popular Meeting for the Planning of Fruit Growing, held in a movie theater in this capital in the presence of representatives of the public and private sectors.

In this regard, the former secretary of programing and budget commented:

"Fruit-growing can contribute to our economic growth in a larger proportion," in addition to citing its importance as a source of food for the people and as a contribution to the increase in jobs.

He stressed that we have a climate, soil and ecological conditions that enable us to attain great development in fruit-growing, but he cautioned: "We need better organization to take advantage of this natural resource."

He said that an impetus must be given to the process of planning the development of fruit-growing, and emphasized that, in his opinion, this sector should be part of a national fruit-growing program.

In this respect, he noted that the cooperative movement has prospects in the organization of fruit producers, and the candidate recommended a continuation and intensification of the family truck gardens, especially in the rural areas, without neglecting the urban sections.

Specific Proposals

Several experts on the subject participated in the Popular Meeting for the Planning of Fruit Growing, and submitted a group of suggestions for taking full advantage of fruit production.

For example, Dr Jesus Moncada de la Fuente proposed that the following areas should be considered for Mexico's fruit-growing policy:

Complete planning, education and training, production of technology, technical assistance, fruit tree propagation, backing for the development of fruit-growing infrastructure, support for the integration of agroindustry, increased and timely granting of financing, marketing, promotion of the producers' organization and intersectorial coordination of that industry.

Engineer Adolfo Perez Borja, for his part, pointed out that the supply and industrialization of fruit show some shortcomings in harvesting, reception, post-harvest processing, handling and packaging, transportation and storage, which have brought about severe regulations estimated as affecting 30 percent of the production in connection with transportation, storage and distribution alone, whereas in the countries with advanced technology the figure is about 5 percent.

Jose Luis Gudino Gonzalez gave the following statistical data: Fruit growing is currently under way on 1.2 million hectares, and is valued in excess of 40 billion pesos; it produces 84 million day's wages per year, which is equivalent to 300,000 full-time jobs in the various production areas.

However, he pointed out that, despite these highly positive figures, the real fruit growing potential is not being exploited efficiently; and hence if immediate action were taken it could double within a short time.

Dr Hector Borges, in his remarks, noted that, unlike many country where "it is a seasonal luxury," it is customary for Mexicans to have an enormous variety and abundance of fruit available throughout the year.

With regard to the features of those products, he said that fruit affords an opportunity to improve the quality of the Mexican population's diet, and this opportunity is an immediate one, because both the fruit-growing resources and the tradition of consumption already exist.

2909

CSO: 3010/243

POLITICAL LEADERS COMMENT ON FSLN PROPOSAL

PA260341 Managua LA PRENSA in Spanish 18 Oct 81 pp 1, 12

[Text] Three of the most outstanding democratic leaders of the country, conservative Dr Emilio Alvarez Montalvan, the president of the Nicaraguan Democratic Movement, MDN, and chairman of the Democratic Coordinating Board, Alfonso Robelo, and the president of the Social Christian Party, Adan Fletes, expressed their opinion on the FSLN pronouncement of 16 October in which political circles seem to find an appeal for peace and national concord.

In the opinion of Dr Alvarez Montalvan, the FSLN's official statement "is in some respects positive and encouraging. The problem lies," he noted, "in making rhetorics a reality."

"It would be useless to resort to the old tactic of two steps forward and one step back, because time is running out," he added.

Dr Alvarez then said: "It is obviously not a matter of refusing to recognize the FSLN's right to aspire to the administration of the revolutionary process. We all want a realistic and effective leadership, one that will consult both the political and production sectors."

"It must be clearly established," Alvarez Montalvan noted, "that any orientation and moves for a position outside the geopolitical context will only lead to more waste of time and to a repetition of strategies already proven unsuccessful in the area."

In relation to Commander Daniel Ortega's proposal at the United Nations in the name of the Salvadoran opposition, Dr Alvarez said: "It occurs to me that if the coordinator of the governing junta of national reconstruction can go before the United Nations to act as spokesman for a guerrilla group in a bid for peace in El Salvador, why can't he in turn act as spokesman for the democratic and business sectors of the opposition in Nicaragua before his fellow members of the FSLN's national leadership and tell them of our fears and interests and try to create the proper climate that may lead to the national negotiating table? Why if he seeks peace for El Salvador does he not seek to preserve that peace in Nicaragua?"

Dr Alvarez added that "a correction of past behaviors can only be achieved within a climate of true freedom of the press."

Alfonso Robelo, referring to the FSLN pronouncement said: "What I see is that the FSLN continues to stagger from one side to the other. First it allows itself to be swayed by emotion and then it tries to rectify it. I consider this an erratic behavior, one that evidences a lack of a clearly defined and consistent line."

He goes on to say: "These appeals are of no avail if the attitudes remain unchanged. One must be consistent in a position and show cohesion in the statements, speeches and deeds."

For example, Robelo said, they speak of dialogue and the integration of all sectors. Yet they broke up the forum with the speech of Commander Daniel Ortega on 19 July of this year. I do not know, he added, if they are again calling for a dialogue. If not so, then I see they are still staggering.

Concerning the El Salvador matter, Robelo considers the proposal submitted by the Salvadoran guerrillas through Nicaragua as mature enough, but their acts such as the recent destruction of the most important bridge in El Salvador show the opposite.

Besides, Robelo continued, the governing junta coordinator lacked pragmatism in presenting a proposal in which the United States is involved and yet making such a ferocious attack as he did on that occasion.

Further on Robelo notes that it is also important in order to settle the Central American crisis to be careful of what one says, of emotional speeches, and of a number of attitudes that only create fear.

Concerning the FSLN declaration's part which refers to the citizens' security, Robelo said: "Let us hope it means to establish control of the mobs; let us hope it means that the democratic political parties will feel more secure in our meetings; let us hope it means to stop speaking of hangings."

The MDN president concluded by stating "that despite the treatment afforded by the FSLN to the democratic forces, we are always willing from a position of respect and free of impositions to cooperate in the enhancement and welfare of our abused Nicaragua."

The president of the Social Christian Party, Adan Fletes, said that although he saw nothing in the FSLN declaration which had not been said before, it is necessary to review some points.

Concerning the Salvadoran issue, Fletes said: "When the junta coordinator submitted the proposal before the United Nations, we said it would mean the intensification of military actions, and Chalatenango and Oro Bridge today confirm our predictions. Peace in El Salvador," he continued, "can be achieved by specific acts such as a cease-fire which, besides being necessary, is urgent."

To Fletes, for the FSLN to speak of a dialogue over the Central American situation is the same as being a lantern on the street and having darkness in your own house. We need the dialogue here, he said, but a frank dialogue, not as those held by the FSLN with MISURASATA [Miskito, Sumu, Rama, Sandinist Unity] and COSEP [Higher Council of Private Enterprise], or like the forum. The people need a dialogue with more positive results, and as long as there is no testimony to back the proposals, these will end in failure, he noted.

Fletes thinks that the FSLN must hold an internal debate concerning the crisis affecting us, because "if this is not done, and a realistically possible alternative is not produced within the government party which could be put into effect by January 1982, those politically responsible will continue to drive the country into more difficult situations."

Referring to the citizens' safety offered by the FSLN in its pronouncement, the PSC president commented: "The front's leadership offers to continue guaranteeing the citizens' safety under any circumstances. But if citizens have already been subject, for political reasons, to beatings, stonings, insults and their houses being besieged, while impassive authorities looked on, we can well imagine what kind of safety guarantees will be forthcoming, unless there is now a willingness to really begin anew. This, however, has its contradictions in view of recent speeches.

"Actions speak louder than words," the president of the PSC concluded.

CSO: 3010/263

D'ESCOTO STATEMENTS IN BRAZIL, ECUADOR REPORTED

Criticizes U.S. Government

PY062036 Sao Paulo O ESTADO DE SAO PAULO in Portuguese 5 Nov 81 p 7

[Excerpts] Nicaraguan Foreign Minister Father Miguel D'Escoto explained that as soon as the Sandinist government had taken over a law was issued aimed at strengthening the country's weakened economy and that this law "will be implemented among all groups or factions and the person who violates it, no matter who he may be, will be punished for doing so." Regarding the closing down of LA PRENSA he stated that this decision was decreed after it had published a series of reports aimed at worrying the Nicaraguans regarding the country's economic situation. The foreign minister pointed out that Nicaragua is currently the victim of a campaign aimed at discrediting it and which is being carried out on two levels: the international campaign orchestrated by the United States which is displeased at having lost political control of the country and the domestic campaign orchestrated by national groups "who were against Somoism but shudder at the idea of a true democracy where the people's rights prevail."

During a press conference held at Itamaraty at the end of his official 2-day visit Father Miguel D'Escoto made a point in emphasizing that Nicaragua is marching toward a true democracy and that at present representatives of all the political parties, from the Communist Party up to the most conservative parties, as well as representatives of all the social and religious sectors hold a seat in the Nicaraguan congress.

During a speech made at a luncheon in his honor at Itamaraty the Nicaraguan foreign minister harshly criticized the U.S. Government decision, which he termed inhuman, to cancel the sale of wheat for the total of \$5 million which forced the Nicaraguans to eat corn bread. He stated that during the past few years Central America has been one of the most conflict-ridden areas of the world where institutionalized and revolutionary violence exist because it is one of the poorest regions in the world "which has been exploited without mercy for centuries." He also believes that the Central American area and the Caribbean should be given preferential treatment by the developed countries and those Latin American countries with a relatively superior development such as Mexico, Venezuela, Brazil and Argentina.

D'Escoto's speech was considered excessively harsh against the United States, especially because it was made at Itamaraty where 2 hours before the U.S. ambassador

had met with Minister Saraiva Guerreiro to discuss bilateral issues. His praise for the Brazilian foreign policy was not enough to dampen the impact caused by his criticism of a Reagan's administration.

"Ever since Reagan assumed the presidency our political relationship with the United States has deteriorated as a consequence of the intolerant U.S. intervention in our domestic affairs, U.S. tolerance and involvement with the former Somoza supporters who are training for an invasion of Nicaragua in Florida and California, as well as the systematic campaign of calumny against our revolutionary process. President Reagan does not approve of the changes which we are making in an obsolete and unjust socioeconomic policy which was maintained by Somozism for almost 50 years. Neither does he accept that our foreign policy decisions are made in Managua and not in Washington as it used to be."

Yesterday the Nicaraguan foreign minister was also received by acting President Aureliano Chavex at his office in Planalto Palace. Nicaraguan Ambassador Ernesto Gutierrez and Ronald Sardenberg, advisor to Saraiva Guerreiro, also attended the meeting with Saraiva Guerreiro. At the end of the meeting D'Escoto made a dash to the elevator in order to avoid the journalists.

U.S. Intervention 'Serious'

PA071706 Managua Radio Sandino in Spanish 1200 GMT 7 Nov 81

[Text] The Nicaraguan foreign minister has deplored in Ecuador the recent U.S. threats against Nicaragua and warned that Sandino's people will not be alone in case of aggression.

The following report has been received from Quito:

Nicaraguan Foreign Minister Miguel D'Escoto has said here in Quito that the U.S. intervention in Central America is so serious that it may easily trigger generalized conflict in the area if it is not stopped.

D'Escoto denounced Washington's lack of understanding regarding the area's problems. He said that Washington obdurately explains them as part of the East-West conflict and ignores their real roots.

D'Escoto met with Luis Valencia, his Ecuadorean counterpart, and was later received by President Oswaldo Hurtado. His visit to Ecuador and his recent visits to Brazil and Peru are part of a tour of Latin American countries to strengthen Nicaragua's friendship ties with these countries.

When referring to the situation in Central America, the foreign minister repeatedly said that it has historical roots. He said the peoples in the region have been struggling for many years to overcome poverty and have now decided to forge ahead, sparing no effort to achieve their objectives.

Regarding the U.S. threats to smother Nicaragua economically, he said that, thanks to the Lord, our country has friends all over the world.

CSO: 3010/263

WHEELOCK DISCUSSES REGIONAL SITUATION IN STATEMENT

Notes 'Militarism'

PA070214 Panama City Circuito RPC Television in Spanish 1715 GMT 6 Nov 81

[Text] Commander Jaime Wheelock, minister of agriculture of Nicaragua, made a 1 and 1/2 hour stopover in our country on his way to the UN world food conference. Commander Wheelock said that the current situation in Central America is critical and that if the peoples don't do their part, violence will increase. The Nicaraguan military officer [as heard] said that the USSR and Cuba are not a threat to Central America, but that the United States is. When asked about Cuban participation in the success of the Sandinist revolution, the commander said that the Nicaraguan people's emancipation movement is genuine and that at no time did Cuba participate in it. The commander also believes that there is an increased militarism in Central America.

Speaking of the four Nicaraguan businessmen who were arrested, the minister of agriculture said:

[Begin recording] We had to enforce the law. Nicaragua is in a state of economic and social emergency and there are extreme rightist and leftist forces who are disrupting the atmosphere of tranquillity, national reconstruction and economic stabilization that we are promoting. They defied the government by issuing a message that called for destabilization and illegitimacy and for disregard of the government during times in which many leaders of the so-called Communist Party were being arrested for calling strikes. On one hand, we struck a blow at the extreme left and, on the other, we also had to arrest the leaders of private enterprise who are, in a certain way, politicized people, for there are hundreds of citizens in the country who are working peacefully for reconstruction and who are protected and encouraged by the government. Thus these can be interpreted as actions of isolated groups; once the law has been issued and we have made our intentions of enforcing it quite clear, we will always follow a benevolent policy. [End recording]

Criticizes U.S.

PA061931 Managua Radio Sandino in Spanish 1200 GMT 6 Nov 81

[Text] The arms buildup which the Reagan administration is promoting in Central America, and most particularly in El Salvador, was criticized yesterday by Jaime Wheelock, commander of the Sandinist revolution, on his arrival in Panama while en route to Europe.

Referring to the violence ravaging Central America and Nicaragua's role in efforts to achieve peace, the Sandinist commander reiterated the position of the revolutionary government of promoting peace and stability in the area. He said that, however, the present U.S. Government is promoting a totally different policy and intensifying the political and economic difficulties which are hampering the peace talks, particularly in the case of El Salvador.

Wheelock arrived at the Omar Torrijos Airport during a technical stop while en route to Rome, Italy, where he will participate in the world meeting of the FAO, a UN organization.

CSO: 3010/264

COSEP COMMUNIQUE ON MEETING WITH SERGIO RAMIREZ

PA282343 Managua Radio Corporacion in Spanish 2300 GMT 28 Oct 81

[Communique issued by the Higher Council of Private Enterprise, COSEP, in Managua on 28 October--read by COSEP Secretary (Alejandro Burgos Romero) at COSEP headquarters--live]

[Text] The Higher Council of Private Enterprise, COSEP, hereby informs the members of the private sector, the people of Nicaragua and the free peoples and governments of the world of the following:

1. At 1900 last night, 27 October, a COSEP delegation met with Sergio Ramirez Mercado, member of the junta of the government of national reconstruction, who also acted as representative of the FSLN National Directorate.
2. Within a framework of mutual respect and honorable terms, an analysis of our country's current situation, resulting from a number of events that culminated with the arrest of four representatives of the Nicaraguan private sector and the issue of arrest warrants against others, was conducted.
3. With the calmness that the situation deserves, we expressed to Dr Ramirez Mercado the solidarity of the entire Nicaraguan private sector with their imprisoned representatives and with those threatened with arrest.
4. COSEP is confident that the national reconstruction government will understand that the intention of yesterday's meeting was to provoke national reflection, for the good of the fatherland.

COSEP, Managua, 28 October 1981.

[Signed] (Alejandro Bolanos Davis), acting president

CSO: 3010/261

REAGAN FOREIGN POLICY TERMED 'WAR OF CONQUESTS'

PA260217 Managua International Service in Spanish 0030 GMT 25 Oct 81

[Commentary by Ignacio Briones Torres]

[Text] A secret document of the Reagan policy for Central America is being circulated here in Managua. To those who ignore it, we must tell them that this document was prepared for the U.S. president by a group of American experts who are known or identified as the Santa Fe Committee. This document includes the general guidelines of what we know today as the Reagan policy for Latin America. According to the statements in this document, the basis of the U.S. foreign policy require--in order to preserve its interests and its traditional hegemony--that the United States be and act as a first class power. The lack of ability to protect our values, the Santa Fe document notes, have led to the present situation of indecision and helplessness thus endangering the existence of the United States.

Everywhere, the document stresses, the United States is on a retreat and adds: The risk of losing the oil in the Middle East and the potential loss of a maritime route in the Indian Ocean, together with the division of South African mineral-rich regions into satellites foretell of the Finlandization of West Europe and the isolation of Japan.

According to the ideologists of imperialism, the Caribbean, a maritime traffic area and the center of oil refining for the United States, is even becoming a Marxist-Leninist area.

Never before, the Americans say, has our country found itself in such a risky situation regarding its southern flank. Never before, they reiterate, has U.S. foreign policy so much abused, abandoned and betrayed its allies of the south in Latin America.

These statements of the Santa Fe document are enough to understand why the Reagan policy has become warmongering, belligerent, aggressive and threatening for world peace.

It is important to analyze the morality of such policy. As the listeners may observe, the Yankees act as if the world belonged to them, as if their might gives them the right to speak and act over nations and regions of the universe as if they were their private property.

This has been the old U.S. policy throughout the years ever since James Monroe invented the doctrine that carries his name and the great expansionists of the north tried to justify their grabbing of other countries as authorized by a divine power which gave the United States the right to decide the destiny of others.

The Santa Fe document, or secret document of the Reagan policy for Latin America, or rather, its statements and recommendations, are being faithfully followed by the resident of the White House. Reagan has again taken the path of the old U.S. methods which led his country to discredit and even world hatred. With these old methods, made obsolete by a balance of forces which are increasingly contrary to imperialism, he is trying to recover the lost hegemony that the country once had.

What we want to stress in discussing the secret document of the Reagan policy for Latin America, is that on the one hand it is the United States itself, or the main leaders of its policy, who are creating the climate of world tension existing on the earth nowadays. On the other hand, all the arguments that they are using to transfer their own faults to other countries are but a cynical way to conduct foreign policy.

For example, it is not that the USSR, Cuba or Nicaragua are supporting the struggle of the Salvadoran or Guatemalan people. It is not that we have opened the doors of hope for a new society that will destroy old injustices forever. It is that the U.S. imperialism is desperate to defend its old home boundaries which to the imperialists include other countries. They claim that the oil of the Middle East is theirs and launch their submarines and their planes in a frantic race to make threatening warnings to the countries of the region. They claim that the Caribbean seas belongs to them and are increasing their interventionist aggressions against the governments and peoples who oppose, with justified rage, this U.S. presumption. To the Yankee policy, our defense of what is ours is communism and with this pretext they cover the true nature of their aggression. For this reason, the people everywhere must be on the alert. Reagan has turned U.S. foreign policy into a sort of a war of conquests which does not exclude a real possibility for a war. To defend ourselves is a sacred right that nobody should violate.

CSO: 3010/261

CHAMORRO FAMILY INTERVIEWED BY PERUVIAN MAGAZINE

PY112330 Lima CARETAS in Spanish 26 Oct 81 pp 50-53

[Exclusive undated interview with Violeta Chamorro and son Pedro Joaquin Chamorro of the Nicaraguan daily LA PRENSA at the Cesar's Hotel in Lima]

[Excerpts] [Question] Who does Chamorro's widow represent in your country?

[Answer] I represent my husband, who was murdered, and LA PRENSA.

[CARETAS explanation and summary of parts of interview] This was her most categorical political and at the same time most revealing answer. In it she expressed her anti-Somozist position and her pride over the family newspaper. She feels that the circulation of 75,000 issues of LA PRENSA per day (her son Pedro Joaquin points out "it sells more than all the other newspapers together") is the best proof of its success. The demand for it in the market shows that it is the newspaper most accepted among the people. The remaining two newspapers--BARRICADA and NUEVO DIARIO--print 15,000 and 30,000 issues per day. There are no magazines printed in Nicaragua and only 20 percent of radio broadcasting is independent.

The problem in Nicaragua "right now" is that there are many problems at once. After the withdrawal of part of the private economic sector which took place with the retirement of important businesses from the State Council, the government has had to face the hardening of U.S. policy carried out by Reagan which resulted in the suspension of the last allotment of a \$75 million loan and joint maneuvers by U.S. and Honduran armed forces at the beginning of this month. At the same time Guatemala, El Salvador and the same Honduras seem to be preparing an alliance which is tacitly anti-Nicaraguan. On the internal front it has been detected that there is a sizeable flight of capital, an alarming absence of private investments and even a plot within the regime. In addition to this it was learned on Thursday of the arrest of four representatives of the superior council of the private enterprise and--curiously--of Eli Altamirano, secretary general of the pro-Soviet Communist Party, who had denounced "reformist" deviations within the revolution.

Pedro Joaquin, who is a sort of ideological delegate of his mother--30 years old and holder of university degrees in political science, sociology and business administration--does not seem to be an implacable opponent of the current situation. Rather than supporting overthrowing the government, he calls for following a social democratic line. "I believe that the front has sufficient support from the people

and that it wants to help them and establish an infrastructure, but sometimes will is not all that is needed." He also acknowledges that "during wartime the front played a clean game, not like other Latin American guerrillas which spend their time kidnapping and murdering innocent people." He then stated that in one of his editorials he supported the French-Mexican declaration on El Salvador because it leads to a free electoral process like the one desired for Nicaragua.

Regarding economic issues, he believes that the government has violated its own laws, partly because "mixed economy is a very ambiguous word." Therefore, he believes that there is a justified fear of investing in Nicaragua. He also criticizes the exaggerated growth of the government and army bureaucracy "because it reduces the labor force in order to carry out nonproductive jobs." He admits that "we are being threatened," although he states that this compels them to objectively examine the causes of this threat.

In this regard Chamorro Junior believes that the recent military maneuvers were part of "imperialism's" campaign of intimidation which resulted in an overreaction by the Nicaraguan Government. "I believe that if the United States plans to invade us it will not go around announcing its intentions with a few small ships."

It must be pointed out that Pedro Joaquin uses the word "imperialism" when he refers to the United States as well as when he refers to the USSR and that he deplores the fact that the government did not criticize the letter which the Soviet leadership addressed to the Poles. He also regrets the fact that the invasion of Afghanistan was considered as an act of "socialist internationalism."

Violeta interrupts the conversation by stating that "we want Nicaragua to be really independent." They both condemn the suspension of the U.S. aid; they recall the Carter administration favorably and regret Jeanne Kirkpatrick's preference for the Somoza regime. Pedro Joaquin says he supports the aid from the Soviets, from Libya, from wherever it comes when it is "without ideological conditions."

[Question] Does Cuban aid imply intervention in internal affairs?

[CARETAS] Chamorro answers carefully:

[Answer] "There are Cuban advisors in the most important ministries and in the army. There are many Cubans in the communications sector. We do not know how much attention they are given, but their exaggerated presence has created on more than one occasion adverse reactions from Nicaraguans whose sense of nationalism has been hurt. More than a year ago the entire population of Bluefields asked for the Cubans to leave, and LA PRENSA was prohibited from reporting it."

[CARETAS] He is not surprised by the conflict between the Sandinists and the communists. He says that the communists are only interested in orthodoxy and dogma independently from the condition of the country. This is why the communists attacked a recent emergency economic legislation aimed at creating an environment of greater stability prohibiting strikes and limiting state bureaucracy. But "the communists are a small group and in this area the government has acted with more realism."

If we had to summarize the conversation with this family, it could be said that they are struggling for a democracy based on free elections. As Pedro Joaquin says "not the Sandinist type of democracy, the democracy of rallies where people shout what they want them to shout telling the people that they are going to represent them forever."

For the Chamorro family, their goal is closely linked to freedom of press represented by LA PRENSA, a newspaper which has now been reduced to 18 pages with the possibility of ending up with only eight "if we are not closed before that." This reduction is the result of the economic crisis which has an effect on advertising--advertising for consumption makes no sense in an environment of poverty--which has decreased to 30 percent of its traditional or historical level. Regarding the current provisional general law on means of communications--based on this law the newspaper has been suspended five times--the Chamorro family emphatically say that this is a dangerous step toward totalitarianism. The law's ambiguity and lack of juridical precision practically allow any type of abuse. Article No 1 states that the means of communication must provide "truthful information within a coherent context, act as a true reflection of the social groups and values and strengthen the common objectives of the community." As can be observed, this is more sticky than flexible.

"We have always supported dialogue and we have even gone to the government house when we were called because of problems." When he said this, Pedro Joaquin recalls an event and smiles.

"The last time we were called for dialogue was when LA PRENSA was closed for the fifth time. We were then notified that we were carrying out a policy of confrontation, and that if this policy continued, the newspaper would be closed indefinitely."

CSO: 3010/262

SOCIAL CHRISTIAN LEADER DISCUSSES NEED FOR DIALOGUE

PA271319 Managua LA PRENSA in Spanish 22 Oct 81 pp 1, 14

[Text] A dialogue should be sought, the vice president of the People's Social Christian Party [PPSC], Guillermo Mejia Silva, stated today in commenting on recent events.

Mejia, who is PPSC delegate to the State Council, added: "We have always been against violence."

"The Sandinist Front responds to the communique of the Higher Council of Private Enterprise [COSEP] differently than we did," the PPSC vice president pointed out.

Asked how the problems could be solved, Mejia Silva replied: "I believe there should be a high-level dialogue. The panorama has to change. They must sit down and discuss the nation's problems, give answers to national problems.

"It is not a matter of offering solutions to the problems of the parties or political organizations," the PPSC leader emphasized.

Commenting on COSEP's pronouncement, Mejia noted that this document makes accusations against the government. "I believe that a document should have been issued that was more moderate regarding the government junta, the FSLN or whoever was deemed necessary to participate in the analysis of this document in order to contribute to the nation's improvement," said Mejia. "We believe the government should be criticized, because not everything it does is good, but this should be high-level criticism," he said.

In addition, Mejia commented: "We can admit that the leaders of this revolution--the nine commanders in addition to other guerrilla commanders, to be more exact--are Marxist-Leninists.

"But we also understand that this revolution is not Marxist-Leninist. This revolution is not just being propelled by the Sandinist Front and the government junta or other Marxist-inspired parties such as the Communist Party and the Socialist Party.

"The revolution does not have a seal. The revolution is not Marxist. At the moment, it is a humanist revolution," Mejia assured.

When it was pointed out that if the nine commanders are Marxist-Leninists, as he admitted, they could implement guidelines of this kind, Mejia Silva stated: "Of course they could do it, as leaders. But the problem is that the people are not Marxist-Leninist. That is, this is being injected. People are being trained, especially youth. But this does not mean that all Nicaraguans respond to this line, to this ideology.

"As Christians, we also can work for our own ideological trend, and we believe we are doing it.

"The leaders of the revolution are Marxists, it is true. But even in the FSLN, there are Christians," Mejia asserted.

CSO: 3010/261

COLUMNIST ANALYZES HISTORY OF COUNTRY'S REVOLUTION

Managua LA PRENSA in Spanish 18 Sep 81 p 2

[Article by Gustavo A. Rayo]

[Text] If we analyze the history of the Nicaraguan Revolution since 19 July, we observe that from the beginning the FSLN [Sandinist Front for National Liberation] proposed to monopolize all the political and military power. Step by step, and against all the elements, the FSLN is succeeding, for the most part, and to continue to achieve this end it will have to use whatever means will lead to the taking over, perhaps permanently, of all power.

The FSLN's road to absolute power--that is, the road which leads away from the Fundamental Statute, from freedom, from pluralism, from democracy--is the one causing the crisis. The crisis of the FSLN as the party which is to keep the power. A crisis of some of the people, which because of its importance is a national crisis.

And it is the newswire which the FSLN has decided to take, particularly those of a totalitarian nature, which are causing reactions in most of the people. That reaction, that distrust, are producing crisis for the FSLN, crisis which are politically, economically, etc. Then the FSLN's different strategies for solving its crisis appear--some of these strategies are already known in other countries. And for some, the solution means the FSLN's almost eternal sojourn in power. But for the FSLN, the real crisis is the economic one, since production goals have not been met. This keeps the country in a chaotic economic situation which is harmful to the people. A situation which each day forces to demand more and more sacrifices from the people. A situation which is undermining the popularity of the FSLN.

The political crisis, for the FSLN, is not yet important. It has many communications media, already trained to respond to the call for the elimination of independent organizations. But these independent organizations have taken advantage of the economic crisis to hasten the political crisis which will come in 1984. Pluralism is not. And they cite reasons which indicate to us that the economic crisis is the cause of the political crisis, the political distrust in the country and the uncertainty of what political system that FSLN intends to establish.

Different strategies have been used to solve the political crisis. The FFW [Revolutionary Patriotic Front] was created, the mass organizations have been reactivated, the union coordinating organization has been created aiming at establishing a single union organization. The forum has been established, but the persecution of political

and union organizations continues. All types of tricks are being used: They are being accused of trafficking in weapons, currency, etc; they are always linked to counterrevolution. So they are not interested in the victory of the forum. They are not interested in solving the political crisis. But whether or not attention is given to the political crisis will depend on the country's overall situation.

What is interesting is the economic crisis. If the FSLN solves the economic crisis, surely the most radical and orthodox will decide to solve the political crisis by eliminating the independent organizations completely. There will only be single organizations: Party, union, peasant, youth, children, women, professionals, farmers, cattlemen, etc. A single communications media, loyal and responsible to the FSLN; like in the totalitarian countries.

That is why, perhaps, greater efforts are being made to solve the economic crisis. First there is a dialogue with COSEP [Higher Council of Private Enterprise], but no agreement is ever reached. Then a broad campaign was started to create official organizations and the UNAG [National Union of Farmers and Cattlemen]. But to date they have not been able to solve the economic crisis, since the results of the upcoming harvests can already be seen.

Efforts to solve the economic crisis are not over. Innumerable coordinated campaigns have been carried out by all the official organizations. However, they have not produced the desired results. The crisis continues, without any positive prospects. The FSLN is convinced that it needs the private sector: The ranchers, the small landowners, anybody who owns any means of production; the independent. And it knows also that in order to generate wealth it must also motivate these people. The present strategy, then, is to find ways to motivate the private sector to produce more. But do these measure square with its policies or will it be a question of continuing to create official producers' organizations, or of dividing COSEP? The FSLN has the floor.

The FSLN claims it cannot talk with COSEP because that organization is very politicized. At present in Nicaragua almost everything is done for political reasons. Separating the political from the economic, from the military, from decrees, from foreign policy, etc., is a complicated task. But for the FSLN, according to its present strategy, it is necessary to struggle to solve the economic problem without touching on the political or any other area. It is a difficult struggle, and for the FSLN, then, it is a struggle for trust. But the people see a big difference between what was proclaimed in the struggle and what is applied in victory. Between words and deeds.

The FSLN, then, has reached a very important point, where the political ideas which pre-eminence in this world will have to be defined. Another dictatorship or democracy? Both are waiting. The FSLN is weighing the reactions of the people. Calculations are being made... closing down LA PRENSA... the persecution of independent political organizations, etc.

The FSLN must decide what system of government to establish. If it continues to think that any solution must be based on a strategy which leads to the FSLN's entrenchment in power, Nicaragua will be the loser. The only victors will be the members of that party. Or, they can solve the crisis forever with the participation and cooperation of all the people, landowners and independent. Dictatorship or democracy. The choice must turn the last word. All the people.

DEMOCRATIC REVOLUTIONARY YOUTH HOLDS MEETING

Managua LA PRENSA in Spanish 1 Oct 81 p 7

[Text] The Nicaraguan Democratic Revolutionary Youth, at its first meeting yesterday in the Social Christian Party hall, passed vital resolutions condemning any kind of American or Soviet imperialism and came out in support of self-determination and independence.

The 9-point resolution includes the following:

"To join in solidarity with all people who are subject to dictatorship, whether these are obsolete leftist dictatorships like that of Cuba or of the reactionary right, like that of Chile, being consistent always in their efforts to reconquer their freedom and authentic democracy, since all dictatorships scorn the dignity of persons, annul their freedom and destroy their rights.

"To condemn the ominous activities of Soviet imperialism which today--as it did previously in Hungary, Czechoslovakia, etc.--is trying to implant its terrible influence and dictatorial and totalitarian domination in countries such as Poland, Afghanistan, etc., which are fighting for their freedom from domination by the Kremlin, we also condemn the intrusion of the U.S. Government in the internal affairs of underdeveloped countries, which along with the arms race, could cause other Koreans, Vietnamese, etc."

The Case of El Salvador

"To support a just and permanent political solution for the Salvadoran people without foreign intervention, condemning the imperialist powers of both the United States and the Soviet Union for using the territory of the Salvadoran fatherland to solve their dispute over hegemony in the world.

"To condemn the intrusions of the Cuban Government, a pretender to mini-imperialism, and its brazen intervention in Angola and Mozambique in obedience to the dictates of its Soviet masters.

"To question energetically the decisions of the Latin American anti-imperialist tribunal in condemning only intervention by American imperialism; and we regret the unwise action of the Front delegation which, forgetting the sentiments of our people, condemned only American imperialism, tacitly applauding Soviet expansionist activities."

Error Condemned

"To request that the Central American Meeting of Youth and Students and the World Democratic Youth Federation meeting in Managua, seeing the error made by the Latin American anti-imperialist tribunal, condemn American imperialism as well as Soviet imperialism for its serious and dangerous positions regarding countries of the Third World.

"To request the Government of National Reconstruction, if it feels faithful to the sentiments of our people, of Augusto Cesar Sandino, of Pedro Joaquin Chamorro and all the heroes and martyrs, to condemn the intervention of the imperialist powers on the national level as well as the international level and lead us to a government of true self-determination and true nonalignment."

Support for the Polish People

"To give our support to the Polish people and to the Polish Workers Labor Union, Solidarity, and to condemn the dictatorial and anti-popular government of Poland and its masters, the Russian imperialist government, which is oppressing the Polish workers and people.

"We demand from the World Federation of Democratic Youth that, in using the name "democratic," it imitates our anti-imperialist position and condemn Soviet imperialism and expansion with the same ardor that it does gringo imperialism."

Eternal Dependence

In its in-depth statement, the Nicaraguan Democratic Revolutionary Youth affirmed the following:

"For a long time the nation of Nicaragua, like other nations of America and the world, have lived in dependence on some of the most developed nations of the era, such as the Spanish empire once was and such as the United States and the Soviet Union are today.

"This dependence, which came about in the first instance as a result of the ambitions of stronger nations, has been strengthened, not precisely because of the lack of wealth in our own lands, but rather because of the application of dishonest and unpatriotic policies which in no way benefitted or will benefit our people.

"The talk of independence began in colonial times, when the Spaniards plundered all our wealth and left death and poverty in our land in return.

"The slogan then was independence from the Spanish empire in order, according to the leaders of the time, to be free and to have the opportunity for self-development in equality."

New Slogan

"Independence from Spain was achieved on 15 September 1821, and our lands came under the dominion of the people who lived here--the Nicaraguan people."

"But the Nicaraguan people had neither the material nor the training necessary to develop their country, and this was known very well by the nascent neighboring empire, the United States."

"Then, into the plans of American imperialism came the idea of taking over our country, sometimes through its national servants and others by direct force of arms."

"During this bitter period, Nicaragua went through unmerciful forms of exploitation, and the new situation brought about by its 'independence' was not very different from the previous one."

"Actually, Nicaragua never achieved any kind of independence, and the events of 1821 were rather like a transfer of goods from one empire to the other; however, we did have an Andres Castro, who demonstrated in the battle of San Jacinto that we have a right to be independent."

History Continues

The document goes on to say:

"But history went on, and one fine day Nicaragua was shaken so deeply that it made us believe that this time surely we would achieve our independence."

"The date was 19 July 1979, and the entire nation wept with joy over its victory."

"The past finally appeared to be behind us, and the future was promising. Our people were admired, loved and respected throughout the world, and this was a solid basis for struggling for our independence in all areas, without losing sight of the fact that no country in the world can develop in isolation and that therefore it is imperative to have relations which permit us to acquire, without any kind of restriction, the political, social and economic development to which all nations aspire."

"Only by being truly independent will we be capable of our own self-determination."

"Only if there is an honest policy, truly not aligned with any bloc or empire, can we bring our people to the peace, justice and solidarity for which we all yearn and for which thousands of honest Nicaraguan youths shed their blood when, echoing the patriotism and dignity of Diriangen and Sandino, they decided to travel the road to our liberation, the road which would allow us to achieve, by our own decisions, our happiness as a free and independent people."

New Threat

"But this happiness has not been brought to them by those who, putting their own personal and even extranational interests first, are day by day delivering the country in to the tentacles of the Russian empire, which for us represents a new threat which we must eliminate rather than suffer, because we already know the bitter taste of domination."

"We were born to fight for our independence and self-determination, and our voices must be an eternal cry of the struggle for freedom, because the battle is long, and we must be alert."

"Because imperialism lies in wait and does not rest, and we must be more careful because it has become more powerful; but in ourselves there is an anti-imperialist sentiment which has also grown.

"Imperialism has diversified, but anti-imperialism has not.

"Because for us, to be anti-imperialist means confronting this contemporary reality in which capitalist imperialism and communist imperialism are locked in a merciless struggle to divide up the world.

"This overwhelming reality is upon our people, and we have no other right than to confront these policies, under the banner of anti-imperialism, which as the same meaning for all the peoples of the world."

"This confrontation is a continual and sustained struggle which weak people have been carrying on for centuries to defeat what represents the greatest obstacle to development, independence and self-determination."

Others Will Follow Us

"We must recognize imperialism as a determining factor in our Nicaraguan political reality, and this recognition is only one step in becoming aware of the anti-imperialist sentiment which must be part of our patriotic training."

"It is also timely for us to explain that we do not view imperialism as did Lenin, who lived in a situation different from our own."

"For Lenin, imperialism was synonymous with capitalism, and he could not foresee that his own country, with a socialist system, would become an imperialist, totalitarian power."

"In this regard we should like to cite, as well as our own General of Free Men, Augusto Cesar Sandino, the case of the young Czechoslovakian student, Jan Palach, who, before setting himself on fire in Wenceslaus Square to protest the Soviet invasion of his country, said, 'It was my duty, and others will follow me.'"

"It is attitudes like this which must move Nicaraguan youth to unite to raise once more the blue and white flag of our country and to cover Nicaragua with it so that any imperialist idea of domination will be defeated here."

8735

CSO: 3010/161

SANDINIST YOUTHS TO HOLD NATIONAL ASSEMBLY IN DECEMBER

Havana JUVENTUD REBELDE in Spanish 21 Sep 81 p 4

[Article by Sergio Colina and Ramon Brizuela]

[Text] The 19 July Sandinist Youth organization will hold its Second National Assembly on 19 and 20 December in Managua, with some 800 student members in attendance, as well as a delegation of young workers invited to participate. The announcement was made in talks with Maria Ivette Fonseca, national organizer for the Sandinist Youth; Jan Antonio Tercera, departmental secretary in Chinandega, and Yuri Cisne, member of the national organizing committee, who are visiting Cuba.

The young Nicaraguans told JUVENTUD REBELDE that at this assembly they will evaluate the results of work done during the past year and outline a plan of activities with the youth workers section, since the organization now includes only the student masses.

At present preparations are being made with young students in the 16 departments, and in salute to the meeting several tasks are being undertaken in the ideological, economic, social, cultural and sports areas.

The Sandinist youth organization has as its chief task the defense of the fatherland, and for this reason all its members are in the militias.

Another of its essential tasks is the raising of the academic level and making up for the backward state of education due to the war and the Somozist dictatorship, since most of the young people had to take up arms against the tyrant. Supporting the economy through volunteer work is an outstanding activity among the Sandinist youth, who are participating in the agricultural work planned by INRA [National Institute for Agrarian Reform], especially the coffee and cotton harvests beginning in January.

During the current work year the Sandinist youth organization held its First National Festival of Amateur Artists, with 3,000 youths participating in all its phases, and about 800 delegates taking part in the national competition. One of the chief goals of the Leonel Rugama cultural movement, names for a young poet-martyr of the FSLN [Sandinist Front for National Liberation] is the restoration of cultural traditions, for example the folkloric dance, "La Cuchara Panda," which dates from aboriginal times and was abolished by the Spanish settlers. Historical compilations are also being made to help combat the ideological penetration of our enemies in the various branches of art.

The chief achievement of the Bosco Monje sports movement, named for a martyr who died at Monimbo, is the development of the first scholastic games, in which 5,000 athletes took part at the rank-and-file level, as well as 3,000 in the national contests.

These activities were among many carried out in salute to the second anniversary of the victory of the Sandinist Revolution. Also among those activities was the First Congress of the National Nicaraguan Student Union, an organization which includes all university students, of whom 216 participated as delegates in the congress.

Outstanding in the work of the Luis Alfonso Velazquez Sandinist Children's Association, named for the 11-year-old FSLN messenger who died a few days before the revolutionary victory, are such mass activities as the "Happy Vacations," enjoyed by 600 children from each department, who visited a recreation center which was formerly a place of relaxation for the wealthy.

In addition they have implemented the "Happy Afternoons" and "Sundays in the Country," the purpose of which is to have the children enjoy recreation and to contribute to their self-formation.

One of the principal youth fronts is the ideological, in which the study of the history of the fatherland is encouraged, lectures are given, workshops and campaigns are organized and confrontation is developed with those who have done and are doing nothing for the good of the revolution and are, rather, against it. With regard to their visit to Cuba, they said that the fatherland of Marti is, for every revolutionary in Latin America, like a mirror of the future, and especially so for Nicaragua.

They agreed that the exchange of ideas, not only with UJC leaders, but also with young Cuban workers, in their visits to the UJC Municipal Committee in San Miguel del Padron, the Nico Lopez refinery, the plastics factory in Havana and at the National Camping plenary held in Pinar del Rio, places where they were able to appreciate the solidarity of the Cubans with the country of Sandino, has been very advantageous.

8735

CSO: 3010/161

TRADE UNION MEMBERS DISCUSS TRAINING IN CSSR

Prague PRACE in Czech 21 Oct 81 p 2

[Article by O. Kasina: "Youth of Nicaraguan Trade Unions"]

[Text] In September and early October a group of 21 Nicaraguan trade union members from the Sandinista Workers Center (CST) and the Agricultural Workers Center (ATC) attended a course for trade union members organized by the Czechoslovak Central Training School of the Revolutionary Trade-Union Movement (ROH). The age of most of these trade union members from the Central American country ranged from 20 to 30 years, but in spite of their youth they showed an extraordinarily conscientious approach to study--as was pointed out during presentation of diplomas and certificates--a virtual hunger for education. The course for these Nicaraguan trade union members was rated as one of the best from the tens of courses for participants from abroad organized so far by the Central Training School of the ROH. To find out how the course of trade union training was rated by the Nicaraguans themselves, we asked four of them: M. Mandieta Lacaya, J. Hernandez Ampia, A. Chacou Mata and L. Manzanares Soza. They responded collectively and mutually complemented their answers, therefore their responses are also presented in a summarized form:

Significance of Training of Trade Union Officials

"For us, participation in trade union training and passing on of progressive know-how is of extraordinary importance. The workers movement in Nicaragua originated and for a long time operated clandestinely and, consequently, it was impossible to focus the requisite attention on the training of qualified trade union officials. After the revolution gained victory in our country there clearly appeared a pressing need for professional, scientific training of officials, training centered on the well-proven theoretical basis of Marxism-Leninism. In this respect our country is receiving support from socialist countries--our comrades are undergoing training in the USSR, the GDR, Bulgaria, Cuba and in your country, Czechoslovakia. There is a trade union training school in Nicaragua already, but it is of great value to us to be able to see the actuality of socialist experience with our own eyes.

In Nicaragua the struggle between forces of progress and internal reaction still goes on, even in the area of trade unionism. The Sandinista Workers Center and the Agricultural Workers Center are forced to oppose the disruptive efforts of Christian-democratic centers supported primarily from the USA. For that reason we must be armed not only with resolve and courage, but also with all requisite arguments and knowledge to be able to work even more effectively among our people, to better explain to them the current needs of our society. In our daily work we shall be passing on the experience we gained in your country so that it may reach all rank-and-file members of our trade union organizations."

Current State of Nicaraguan Trade Unions

"The progressive trade union centers, the CST and ATC, represent together some 80 percent of unionized Nicaraguan workers. The CST has approximately 200,000 members, the ATC approximately 80,000. Both organizations strive for achieving unity for trade unionism in the country. Such unity is an important prerequisite for meeting two key tasks of today's Nicaragua--increased production and defense capability. Both of these tasks are of equal importance and are mutually intertwined. Organizational efforts of progressive trade unions come to the fore now that American imperialists stepped up their provocations against Nicaragua by utilizing mercenaries of the former dictator Somoza, massing them on the border of Nicaragua with Honduras. The prime duty of workers, in addition to increasing production, is also protection of factories and all enterprises against potential provocations and sabotage attempts. For that reason they are forming militias ever deeper pervaded by the workers' spirit.

These external threats are compounded by the already mentioned disruptive activity of Christian trade unions which maintain close contacts, for example, with the American AFL-CIO known for its reactionary deeds. Uncovered documents bear witness to the fact that a number of reactionary elements are being paid directly from the USA. Found in their possession were instructions on how to proceed against the Nicaraguan Government, against the process of economic revitalization of the country. We know that representatives of reactionary organizations are corrupted and hostile people, but we are of the opinion that it will become possible in time to develop cooperation with the ordinary rank-and-file members of Christian-democratic trade unions once they realize, as they must, the need for social progress and unity of trade unions.

The CST and ATC keep solidifying their positions. The number of their members is on an increase and the activities of these trade union organizations are acquiring depth and quality. We protect on a wide front the true interests of workers and we stand ready to defend the Nicaraguan revolution even with arms in our hand against all provocations of external as well as internal reaction. We are grateful for the opportunity to prepare ourselves for our work among trade unionists in our country specifically in your country, where trade unions have a great tradition. The example of socialism provides for us an incentive to continue our efforts."

8204

CSO: 2400/46

COSEP'S DISAVOWAL OF FORUM ACCORD CRITICIZED

PA241900 Managua Radio Sandino in Spanish 1800 GMT 22 Oct 81

[Text] Tension and nervousness have led the political leaders of the Higher Council of Private Enterprise, COSEP, to disavow the document signed by the rightist parties at the recent forum on national problems.

It is true that the COSEP representatives did not attend the forum as such, but it is also true that the political parties they represent were there on that day in June, when a document containing 19 points of concurrence was signed, establishing the foundations for the path that the revolution should follow.

The actual declaration of war launched Monday by COSEP's political leadership, which resulted in the arrest of some and in asylum for others, is a flagrant disavowal of the most important points of concurrence signed before the public. In fact, point 2 of the agreement notes that the power of the revolutionary process can demand changes in the laws adopted after the overthrow of the tyranny; the pseudo-COSEP leaders now want to ignore this, dogmatically refusing to honor the agreement.

In its document, COSEP forgets that which was agreed upon in June. Thus, point 11 of the points of concurrences acknowledges that the basic causes of the nation's economic problems derive from the negative inheritance received from Somoism and from the intervention of U.S. imperialism.

It is easy to note that the arrogance of COSEP's communique contrasts with the good sense shown at the national forum, whose point 17 recognizes that active participation by both public and private workers in increasing production is fundamental in the efforts to achieve economic recovery of the country and the workers and to build the indispensable economic foundations for facing current social problems.

As can be seen, what they say and do now has nothing to do with increasing production or with recognition of the role that is to be played by the workers and the state in the reconstruction of Nicaragua.

CSO: 3010/261

SANDINIST LEADERS ADDRESS TEACHERS CONGRESS

Ramirez Statement

PA311238 Managua Radio Sandino in Spanish 0300 GMT 31 Oct 81

[Statement by Sergio Ramirez, member of the junta of the government of national reconstruction of Nicaragua, at the second national congress of the National Association of Nicaraguan Teachers, ANDEN, on 30 October in Matagalpa--recorded]

[Text] I have been commissioned to deliver to the second national congress of the National Association of Nicaraguan Teachers, ANDEN, fraternal and solidarity greetings of our revolutionary government. First of all, I wish to tell you that we are aware that this congress is being held at one of the most difficult moments in our history. When the poor, humble, working people of Nicaragua, of which the teachers are a part, obtained power, we knew that the going was not going to be easy, that it was not going to be a bed of roses. But the most difficult moments are always the most beautiful. If the people's victory was obtained by blood, sweat and tears then to keep and move ahead the people's power, to make it grow, to make it stronger, it is going to require and it is requiring more sweat, more tears, more sacrifices and more blood. What is beautiful about all this, is that the Nicaraguan people are waging this struggle for the future.

We are facing hard times on the economic front. We are facing a crisis which we have explained many times. We inherited this crisis from an unjust past, from a past of exploitations, from the Somoquist destruction and pillaging. It is also this economic crisis which also shows the injustice of international relations when imperialism tries to impose a greater poverty on the poor countries and to make the rich countries richer and more powerful. This is a situation which is not only hitting our country, but all the poor countries of the world; the Central American countries and the countries which are traditionally poor and exploited.

In addition to this critical situation, we are also in the midst of a struggle to consolidate our revolutionary process internally, in the midst of two difficult [words indistinct].

Bayardo Arce Statement

PA022210 Managua Radio Sandino in Spanish 1200 GMT 2 Nov 81

[Text] Commander of the revolution Bayardo Arce Castano took the message of the FSLN National Directorate to all the Nicaraguan teachers during the closing ceremony of the second national congress of teachers, heroes and martyrs for the liberation of Nicaragua held this weekend in Matagalpa.

Commander Arce Castano emphasized the importance of the second teachers congress in Matagalpa which is the birthplace of Carlos Fonseca and of the peasant unions. He also emphasized the personality of that great teacher and Sandinist militant, Commander (Rocardo Morales Avilez), the personality of Sandinist rural teacher (Cesar Augusto Salinas Pinel) as well as the link which the FSLN always maintained with the Teachers Association in the struggle for liberation. We shall now hear an excerpt of Commander Bayardo Arce's speech during the closing ceremony of the second national congress of organized teachers held in Matagalpa:

[Begin recording in progress]...and forming the new man of the new Nicaragua from the preschool age to the university. Therefore, we cannot allow the links between the teachers and the Sandinist Front to become just history. Those links are important to us. This is true to such an extent that recently when a group of teachers--some of them militants of our organizations--visited us and said that the Sandinist Front should pay more attention to the teachers, asking us to assign more Sandinists to work with the teachers, we decided to take a very important step: we agreed to their request. Our companeros thought it wise that our companero Nathan Sevilla be transferred. The FSLN had assigned him to an undoubtedly strategic sector; the Nicaraguan working classes, which govern our revolution. In his previous position he had already established a series of extremely important links with labor leaders to facilitate our political and ideological work among the working classes. Nevertheless, we decided to reassign him to the teachers' ranks so that he could express the Sandinist Front's support for the teachers' work. [Applause] [End recording]

CSO: 3010/263

JULIO LOPEZ SEEKS SUPPORT FOR PEACE PROPOSAL

Lopez in Washington

A302344 Managua Radio Sandino in Spanish 1800 GMT 30 Oct 81

[Text] While Nicaragua makes peace overtures, the State Department insists on lies and accusations. Here is a report from Washington.

While Julio Lopez, official in charge of the FSLN International Relations Department, is engaged in intense activities in the U.S. capital to obtain support for a political solution in El Salvador, Secretary of State Alexander Haig and his assistant for inter-American affairs, Thomas Enders, have once again begun to attack with their accusations.

Julio Lopez, who has been in Washington since last weekend, has held a number of meetings with officials of the State Department and congressional leaders, among whom is Michael Barnes, chairman of the House of Representatives Inter-American Affairs Subcommittee.

Lopez has emphasized the urgency of a political solution to the Salvadoran conflict before the bogging down of U.S. policy in that Central American country leads Washington to take up even more dangerous positions for peace in the region.

He added that in the face of the successive failures of U.S. policy toward the regime of Jose Napoleon Duarte, the Reagan administration needs to make people believe that Nicaragua is the Central American villain, that we are warmongers and a threat to the region. He stressed that in view of this, the Nicaraguan revolutionary government once again reiterates the need to seek a modus vivendi between the United States and Nicaragua and pointed out that his trip was also to explain the events recently occurring in the nation in the face of the well-engineered slander campaign.

In the meantime, Messrs Alexander Haig and Thomas Enders of the State Department once again insisted on the alleged landing of 500 Cuban soldiers in Nicaragua and announced new measures against Cuba as well as their concern over Nicaragua.

In commenting the process followed in Nicaragua against extreme leftist and rightist groups which violated the nation's laws, Thomas Enders said: It appears as though the Sandinists are on their way toward a totalitarian and repressive system.

Enders reiterated the accusations about arms smuggling to El Salvador and voiced alarm over the great number of militias that have been formed in Nicaragua to defend the revolutionary process.

Meanwhile, Julio Lopez rejected the U.S. charges and recalled that: We carried out our war with arms from the United States, Europe and other parts of the world and we passed them through several countries without their consent. When a nation needs arms, it finds them, concluded Julio Lopez.

Lopez Mission Criticized

PA020100 Managua Radio Corporacion in Spanish 2200 GMT 1 Nov 81

[Statement by Wilfredo Montalvan, secretary general of the Nicaraguan Social Democratic Party, on the "Social Democracy in Action" program--live or recorded]

[Text] In the first place, in my name and on behalf of the other companeros in the democratic sector who, by decision of the Sandinist government, were banned from traveling abroad last Sunday, I would like to express our protest. Leaving and returning to the country is the right of every Nicaraguan, in accordance with existing international agreements and with the very laws decreed by the revolutionary government.

They forbade our travel, even though they travel every day, because they were afraid that we might tell the truth about what is currently happening here, which is very different from what they proclaim abroad. No matter, because the world already knows that there must be a reason for this, that those who, in the exercise of their power, committed such an abuse must be trying to conceal something.

As for this truth, we would like to make this comment: How can it be that in sovereign Nicaragua, in anti-imperialist Nicaragua, in honorable Nicaragua, a Sandinist government representative has gone to the U.S. State Department to explain matters that are the exclusive concern of Nicaraguans? We are referring to the mission taken to Washington by Companero Julio Lopez, the FSLN secretary of international relations. According to dispatches we have read, he has been giving explanations to the gentlemen whom they call enemies of mankind. He has been explaining the imprisonment of the members of the Higher Council of Private Enterprise and of the Communist Party. He has been explaining why our passports have been taken away and a number of other things that they have not yet explained to those whom these matters concern: the Nicaraguan people.

How is it possible that a government that has repeatedly affirmed, through its leaders, that the Nicaraguan people are the only ones to whom it must explain its actions is now sending missions to Washington to explain these matters? We, the members of the Social Democratic Party, would frankly be ashamed to go to the State Department in Washington or to the Kremlin in Moscow to explain our actions, for we would regard this attitude as anti-Nicaraguan, anti-revolutionary and anti-Sandinist.

We will not refer to the statement made in Washington by FSLN representative Companero Julio Lopez--who said that Nicaragua is the Switzerland of America--because we Nicaraguans, who know what is really happening here, would laugh at these things were they not so sad. In Switzerland, media like LA PRENSA and the independent radio stations are not suspended. Neither are the business, political or union leaders imprisoned, nor do they have any divine mobs nor the many other things that for some time now have been disappointing the vast majority of the Nicaraguan people. Thank you very much.

CSO: 3010/262

SANDINIST POLICE SET WEAPONS TURN-IN DEADLINE

PA240302 Managua Radio Corporacion in Spanish 2300 GMT 23 Oct 81

[Text] The Sandinist national police remind the people that on 12 August 1980, the Defense and Security Commission issued Resolution No 1 establishing that war weapons are the property of the revolutionary state and for the exclusive use of the country's military institutions. It also established a period of 60 to 80 days to turn in all war weapons with or without license to the Sandinist national police permits and licenses section.

Whereas, innumerable requests have been made to citizens and institutions, that on account of their functions and for personal protection must make use of firearms, to legalize the possession of these arms;

Whereas, there are persons and institutions that still have not turned in their war weapons, whether they have licenses or not, thus violating this resolution, the Sandinist national police has resolved:

1. To give until 15 November 1981 for everybody to turn in their war weapons which they can do at the Sandinist national police permits and licenses section located in Module A-18 at Nejapa's old commercial center in Managua.
2. To remind the people, state and private organizations and institutions that they must legalize the possession of firearms whether for personal protection or of property, according to existing laws.
3. Once the deadline set for 15 November is up, the Sandinist national police will proceed according to the power granted by the penal law in Article 499, paragraph a and b, and Article 558, paragraph 1 and 2, against the persons and institutions that have not complied with the resolution.

CSO: 3010/262

BERLINGUER STATES OPINIONS IN FAREWELL DOCUMENT

PA240319 Managua Sistema Sandinista Television Network in Spanish 0200 GMT 23 Oct 81

[Text] Enrico Berlinguer, secretary general of the Italian Communist Party, said farewell to Nicaragua with the conviction that the Sandinist people's revolution is a direct target of U.S. imperialism.

Before his return to Italy, Berlinguer read a document to Tomas Borge, commander of the revolution and minister of interior, in which he expressed appreciation for the FSLN's invitation for him to visit Nicaragua.

Berlinguer said in the document that during his stay in Nicaragua, he personally experienced the (?nature) of the FSLN's domestic and foreign policy. Moreover, he said that he saw evidence of the terrible conditions in which the Somoza regime left the country.

He has analyzed the consequences of imperialist interference in Central America. In light of these consequences, he said, it is now more necessary than ever to intensify support and solidarity with the reconstruction activities that the FSLN is pursuing.

Therefore, I believe the EEC must make an even greater contribution, he said. Berlinguer confirmed to the leaders of the government junta and the FSLN the commitment of Italian communists and all other democratic forces to develop more broadly all possible plans to express solidarity with Nicaragua.

The Italian communist leader was seen off by Tomas Borge, minister of interior and member of the FSLN National Directorate, who announced that a Nicaraguan Embassy will soon be opened in Italy to expand relations between the two countries.

CSO: 3010/261

BRIEFS

ARCE SUPPORT FOR CUBA--Commander Bayardo Arce Castano, coordinator of the Political Committee of the FSLN, has expressed support for the Cuban Government's recent challenge [emplazamiento] to U.S. Secretary of State Alexander Haig. Bayardo Arce said this on referring to the Cuban declaration which asks Haig to present proof that Cuba sent soldiers to Nicaragua for their subsequent transfer to El Salvador. We are concerned about the irresponsible and extremely dangerous publications that state that Cuban soldiers arrived in Nicaragua as well as about the conversations Haig has had with some governments, the Sandinist leader said. Bayardo Arce also mentioned the warnings issued by Haig about giving an energetic reply to Cuba and Nicaragua. He stressed that the Cuban Government's challenge reveals the existing preparations for aggression by high-ranking White House officials. The Sandinist leader made his statement on arriving in Managua after a tour of the GDR, Bulgaria, the Soviet Union and Cuba. He indicated that he felt very satisfied with his visit. [Text] [PA300342 Havana International Service in Spanish 0000 GMT 30 Oct 81]

SOCIAL DEMOCRATS SUPPORT ROBELO--Wilfredo Montalvan's Social Democratic group voiced solidarity with Alfonso Robelo today and told the FSLN national leadership that it must stop closing the civic doors to the solution of national problems. The political group said this in a communique signed by (Guillermo Putoy), secretary of communications of the so-called Social Democratic Party. The communique was issued with yesterday's date. In it, the Social Democrats demand passports for Wilfredo Montalvan and of other reactionary leaders. As the public knows, Montalvan and the other rightist elements who have dedicated themselves to conducting a defamatory campaign abroad against the revolution had their passports investigated, whereby it was discovered that they were no longer valid. They were on their way to Europe to continue their work of destabilization--because this is what they go out to do--and on Saturday they were unable to board their plane after the investigation to which they were submitted. Claiming that their human rights are being violated, the Social Democratic group now defends its ally Alfonso Robelo and the others who were to go on the reactionaries' trip. [Text] [PA280432 Managua Radio Sandino in Spanish 0300 GMT 27 Oct 81]

PSD STATEMENT ON VIOLATIONS--The Social Democratic Party [PSD] protests the violations of the human rights of its secretary general and democratic leader. The PSD has addressed a message to the people of Nicaragua to express its strongest protest over the attacks on the human rights of its secretary general, Wilfredo Montalvan, and of other political democratic leaders. This was disclosed by

Guillermo Potoy, communications secretary of that political organization, to a news reporter of this station. The PSD calls on the junta of the government of national reconstruction and the National Directorate of the FSLN to stop closing the civic doors to the solution of domestic problems and asks them to seek honorable solutions with freedom and justice for the tasks of political, economical and social reconstruction. The PSD also denounces the persecution and the vandalic attack on the home of Alfonso Robelo Callejas, which endangered the lives of Robelo and his family. [Text] [PA271305 Managua Radio Corporacion in Spanish 2300 GMT 26 Oct 81]

SPANISH TRADE MISSION--A delegation of 22 executives of Spanish factories arrived at the Augusto Cesar Sandino Airport yesterday to promote the sale of agricultural and construction machinery. The delegation is led by Jose Luis Martinez Candial, president of the Chamber of Commerce and Industry of Zaragoza, who expressed the desire of offering very favorable terms to the Nicaraguan Government and businessmen in the negotiations. Nicaraguan Ambassador to Spain Orlando Castillo welcomed the delegation. He said that they will meet with members of the government junta, the planning, foreign trade and agricultural development ministers and with private businessmen. The Madrid government has granted a \$25 million credit with moderate interest rates to the Nicaraguan Government. Part of the credit will be used in the purchase of agroindustrial and construction machinery. [Text] [PA021408 Managua Radio Sandino in Spanish 1200 GMT 2 Nov 81]

CIGAR PRODUCTION--During the second assembly on efficiency and austerity held by Foreign Trade Ministry employees at the Maestro Gabriel Institute yesterday, Foreign Trade Minister Alejandro Martinez Cuenca charged that the production of some 2 million cigars has accumulated because the Cubans, who had their properties in northern Nicaragua seized, took the patents with them thus making it impossible to market the product abroad. [Nicaragua EL NUEVO DIARIO in Spanish 25 Oct 81 pp 1, 9]

MEXICAN CREDIT--Managua (ACAN-EFE)--The Nicaraguan Government over the weekend ratified an agreement by which the National Bank of Foreign Trade of Mexico (BANCOMEXT) grants Nicaragua a \$30 million credit. The funds will be used to purchase capital goods, manufactured raw materials and other consumer goods in Mexico. [Panama City ACAN in Spanish 1154 GMT 26 Oct 81]

RADIO STATION REOPENING--Radio Mi Preferida, which has been off the air since it was destroyed by still unidentified persons, will be reopening in November, Manuel Jiron has announced. A new antenna is being installed and work is being completed on the audio installations. The radio station will have mobile units, FM and other equipment, which is now being installed near Jilola Lagoon. The transmitters of Radio Amor will also be installed at this location. The studios of both stations will remain at La Morita Hill. Both stations will have music, news, special reports and dynamic programming, Manuel Jiron has announced. [Managua LA PRENSA in Spanish 25 Oct 81 p 12]

NEW AUXILIARY BISHOP--Msgr Andres Lanza di Montezzemollo, apostolic nuncio in Nicaragua, confirmed the appointment of Msgr Bosco Vivas as auxiliary bishop of the Managua archdiocese. [Managua LA PRENSA in Spanish 13 Oct 81 pp 1, 12]

CSO: 3010/261

PANAMA CANAL POLICIES, DIRECTOR CRITICIZED

Letter to Gianelli

PA061600 Panama City LA ESTRELLA DE PANAMA in Spanish 6 Nov 81 pp 1, 10

[Letter to William R. Gianelli, director of the board of directors of the Panama Canal Commission, and Carroll Hubbard, Jr, chairman of the House of Representatives Subcommittee on the Panama Canal, from the Popular Nationalist Party: dated 5 November 1981 Panama--passages within slantlines published in boldface]

[Text] Honorable gentlemen:

A group of officials of the U.S. executive and legislative branches, headed by you, today begin a visit to the canal installations and the Republic of Panama during which you will meet with Panamanian authorities in order to obtain first hand knowledge of the operation of the canal.

The /Popular Nationalist Party/ [PNP] believes this is an opportune occasion to convey through you the following message to that group:

1. We have been and are opponents, as a large number of Panamanians, of the 1977 canal treaties, both in their original text as well in the version which resulted from the amendments, reservations and understandings which were unilaterally annexed to them by the U.S. Senate.
2. The /PNP/ believes that the 1977 canal treaties suffer from legal defects which nullify them. However, the U.S. and Panamanian Governments have accepted them as an integral part of the legal systems of both countries.
3. Although the 1977 canal treaties recognize very few rights of the Republic of Panama, the unilateral way in which the United States has been implementing those treaties since 1 October 1979 has not only violated those treaties in various aspects but is also harming the legitimate interests of Panama.
4. The U.S. implementation of the 1977 Panama Canal treaty disregards Panama's sovereignty in view of, among other things, the following:
 - a. Although Article III, paragraph 10 of the treaty eliminated the name of "Government of the Canal Zone," Public Law No 96-70 issued by the U.S. Congress

has organized the Panama Canal Commission as an agency of the U.S. Government, making the U.S. president and secretary of defense top authorities of this commission. This is equivalent to reviving the /government of the canal zone/ and of resurrecting the colonialist formula of /"a government within another government"/ which was and continues to be the most condemnable violation of the sovereignty of the Republic of Panama.

b. A large number of U.S. federal laws are being applied in the canal area, expressly violating the 1977 treaty (particularly Article IX). Certain U.S. federal authorities even fulfill governmental and jurisdictional functions in that area as in the case of the federal labor relations authority. All this violates Panama's sovereignty which the treaty recognizes and respects.

5. Thousands of Panamanian workers both in the Canal Commission as well as in the armed forces have suffered a considerable decrease in their working conditions since 1 October 1979, even though Article X, paragraph 2b of the canal treaty establishes that /"The employment terms and conditions that are established will not in general be less favorable...that the ones in effect immediately prior to that date."/ There is even the unprecedented situation that the workers who have been hired after 1 October 1979 earns wages which are quite below those earned by the same type of workers hired prior to that date. This discourages Panamanian labor which according to the treaty must be /"growing"/.

6. In contrast, the budgets of the Panama Canal Commission from 1979 to this date authorize expenditures and subsidies in favor of the U.S. Treasury and in favor of the U.S. employees. These expenditures do not have any direct relationship with the operation of the canal. These include the many millions of dollars in interest payments to the U.S. Government and the many millions of dollars spent exclusively for the U.S. employees in subsidies for housing, recreational activities and installations, trips to the United States and so forth.

7. The latest budgets of the Canal Commission have not included the necessary allocations to carry out the improvement projects that the canal needs to satisfy at the very minimum the increasing needs of international maritime traffic. Only some allocations for simple maintenance have been approved.

8. The current Panamanian Government has made various written protests against the violations of the treaty but the timid and "diplomatic" form of those protests have led the United States to haughtily ignore them.

So as not to lengthen this message with more violations of the 1977 canal treaty, we will stop listing them. What we have pointed out is sufficient for the U.S. Government to understand that the Panamanian people disagree with the current neocolonialist formulas that prevail in the operation of the canal and the areas granted to the United States for that operation.

Just as in the far and very near past the Panamanian people used both words and action to struggle even with blood against the old U.S. imperialism in Panama, the current and future generations of those same people will once again sacrifice to definitely eliminate the mask and the essence of the new imperialism without waiting until the year 2000.

The best fertilizer for that nationalist action of the Panamanian people is the humiliation, legal subjugation and economic plunder which Panama continues to be a victim of as a result of the 1977 Panama Canal treaties, Public Law No 96-70 and the political and economic injustices which are daily committed by the U.S. authorities in our territory. The accumulation of these attacks will in the short term lead the Panamanian people to continue their historic struggle to achieve the goal of freedom and full sovereignty.

As in the past, the current U.S. rulers seem bent on continuing to contribute to the accumulation of those causes. The Panamanian people will know how to give an honorable reply to them, a reply which will be the same in the case of any other imperialism.

Sincerely,

For the PNP,
Olimpo Saez, president
Roberto Arosemena Jaen, secretary general.

Commentary on Gianelli Statements

PA092255 Panama City MATUTINO in Spanish 9 Nov 81 p 4-A

[Editorial: "Expressions in Two Tones"]

[Text] William Gianelli, U.S. assistant secretary of the Army for Civil Works and president of the Panama Canal Commission, has shown himself to be cautious, sly, evasive and slippery in his statements for the news media, which have been widely published by the local press. Mr Gianelli was so cautious in his statements that he took great care to make it in two tones. One was aimed at allaying the disatisfactions of the Panamanians expressed in the questions and statements made by President Aristides Royo, who frankly said that there is a certain growing unease among the Panamanians about the implementation of the U.S. Government policies, which seem to reveal an attitude opposed to the Torrijos-Carter treaties. This opposition was expressed by Mr Reagan when the treaties were discussed and this opposition seems to persist now that he is the president. Addressing this concern Mr Gianelli said that the present U.S. Government intends to faithfully abide by what has been established by the treaties and to work more and more closely with Panama so that the joint U.S.-Panamanian administration will lead to the canal's more efficient operation, administration and defense.

However, Gianelli took great care not to specify the means by which Mr Reagan's good will is being shown. This detail would have served to eradicate the doubts of Panamanians, the rest of the continent and the world which has been watching the reluctance with which those clauses which benefit Panama have been implemented. It would also add to U.S. prestige as a nation which respects and acts responsibly toward its word given in treaties.

Mr Gianelli used another tone when he spoke with his countrymen at the American Chamber of Commerce at Panama City's golf club.

There, feeling more at home, Gianelli, asking rhetorical questions, spoke of data showing the increased activities of the great interoceanic waterway, but he gave all the credit to the North Americans, as if the positive and enthusiastic cooperation of the Panamanians had in no manner contributed. We Panamanians are aware that we are working for something that is ours and will increasingly become ours as time passes. Gianelli was very emphatic when he noted that "after all, the Panama Canal Commission is a U.S. agency."

He also spoke with emphasis when he mentioned the clause that says that "the United States of America will fulfill its responsibilities according to the clauses of the treaty and the dispositions of the laws of the United States of America." On this occasion the speaker's oily dialectic emphasized the fact that this same text gives priority, at least in order, to the treaty dispositions, and in regards to the U.S. laws, we have seen that the North Americans can change, interpret, implement or ignore them at their whim.

With all due respect, it seems to us that by this time we should be using another tone, without this changing and accommodating manner noted in the statements made by Gianelli in which, when speaking to Panamanians, he denies President Reagan's reluctance to implement the treaties, but gives no evidence of this. However, when speaking to his countrymen he uses data to convince them that it is the North Americans, alone, who are leading the canal today to the high levels of efficiency which the canal is demonstrating for the satisfaction of its users.

CSO: 3010/258

PRD REQUESTS SUPPORT FROM FRG FOUNDATION

PA071343 Panama City LA PRENSA in Spanish 5 Nov 81 p 1

[Report by Jose Montano]

[Text] The Democratic Revolutionary Party, PRD, has asked the Friedrich Ebert Political Organization of the FRG for support. The German organization is connected with the socialist international and the support requested is for the implementation of "communication mechanisms, forms and techniques in matters of political conduct" and "mass psychology."

This request was made in the form of a proposal included in the "agreement on tasks and activities" between the foundation and the PRD. This information has been provided by a reliable source connected with the PRD.

The agreement calls for the Germans to provide training in the area of political propaganda, "both at the theoretical and practical levels," and for a "broader exchange in these areas..."

The document proposes "continuing with the activities" currently being developed by the Friedrich Ebert Foundation and the PRD to support "those publications" aimed at "the dissemination of party views and doctrines in matters connected with the national and international reality."

The Friedrich Ebert Foundation began carrying out discrete operations in our country shortly after several high-ranking Panamanian Government officials persistently denied their direct participation in reaching a political agreement with the foundation.

On 11 February 1981, this paper's daily feature "In a Few Words" commented on the contacts between political leaders of the Friedrich Ebert Foundation and the PRD. This led both President Dr Aristides Royo and Labor Minister Oyden Ortega to file a suit for slander.

Throughout the legal procedures, President Royo has denied all knowledge of the organization and its political ends.

The PRD proposal to the Ebert Foundation includes the use of "the nation's historic and cultural values" as a path to "the people's education."

The six large areas stressed in the "agreement on tasks and activities between the Friedrich Ebert Foundation and the PRD" are: education and training, political propaganda, information and social communications, culture and communication, research, and school for cadres and union front.

The PRD has also suggested that the foundation "lend all its cooperation to the creation of the party's school for cadres" through the establishment of "contacts" and support for its "structure."

The PRD has also asked the German political organization for "collaboration" in order to penetrate the country's unions by developing "training, orientation and mass actions aimed at achieving unity."

CSO: 3010/258

BRIEFS

SWEDISH AMBASSADOR--During a ceremony held at Government Palace yesterday new Swedish Ambassador Lennart Birger Rydfors presented his credentials to President Alfredo Stroessner. [PY100233 Asuncion ABC COLOR in Spanish 7 Nov 81 p 12]

FRG DELEGATION--A delegation of the FRG Ludwig-Frank Foundation headed by Hans Filbinger has arrived in Asuncion where they will meet with government officials. The delegation has come to learn about Paraguay and its economic situation. [PY100233 Asuncion ABC COLOR in Spanish 1 Nov 81 p 12]

SPANISH STATE SECRETARY--Agustin Hidalgo de Quintana, Spanish state secretary, who is visiting our country yesterday started to meet with government officials by visiting Industry and Commerce Minister Delfin Ugarte Centurion. According to members of his party, Spanish investment in Paraguay last year amounted to over \$900 million, which represents 2 percent of its total investments abroad. [PY100233 Asuncion ABC COLOR in Spanish 27 Oct 81 p 11]

TRADE BALANCE DEFICIT--According to the Central Bank, the trade deficit up to the month of September amounted to \$105,796,600 compared to \$122,241,200 for the same period in 1980. The Central Bank also disclosed that exports up to the month of September increased 5.2 percent over the total for the same period last year while imports only increased 1.5 percent. [PY100233 Asuncion HOY in Spanish 7 Nov 81 p 10]

COST OF LIVING--According to the Central Bank, the cost of living in Paraguay up to the month of October this year increased 12 percent. [PY100233 Asuncion LA TRIBUNA in Spanish 6 Nov 81 p 7]

CSO: 3010/246

MORALES BERMUDEZ DISCUSSES TERRORISM, POLITICAL PARTIES

PY081831 Lima OIGA in Spanish 26 Oct 81 pp 18-24

[Interview with former Peruvian President Gen (ret) Francisco Morales Bermudez by Uri Ben Schmuell]

[Excerpts] [Question] Let us begin this interview by talking about terrorism which is at present an issue of great concern for the majority of Peruvians. What is your view on the terrorist phenomenon?

[Answer] In the first place, there was a stage in which there were no clear definitions of what was happening in the country in this regard. Later the evidence was so clear that today no one can deny that Peru is now experiencing a terrorist escalation. Nevertheless, I feel it is more interesting to discuss why there was no terrorist escalation during the military government, why are we experiencing this situation during a transition period, during a constitutional government...

[Question] What is your view on this?

[Answer] We must first make one thing very clear: There is in Peru a leftist Marxist sector very closely connected to the democratic process, but there are also other highly radical factions that believe that a class struggle is necessary to achieve power. I believe that terrorist activities are being promoted in Peru by those groups which--unlike the Marxist groups having connections with the democratic system operating in the country--believe that power cannot be conquered through peaceful means. These radical groups are the minority, but they are quite active and they are already launching the "popular struggle" as a means to conquer power. I believe this is taking place during a constitutional government precisely because these groups do not accept a power struggle within a democratic and peaceful framework and because I believe that in this democratic opening process we have been careless in coordinating our national intelligence system. The pertinent organizations must undertake closely coordinated intelligence work to detect terrorist activities. Not to repress them necessarily, but to prevent those actions that cause disorders to the detriment of the large national majorities from taking place.

[Question] This means not only identifying them but infiltrating these terrorist groups as well...

[Answer] Precisely.

[Question] It has been said that terrorist actions were also perpetrated during the military government but that they were never made public, first because the government kept quiet about it, and then because the media--which was controlled by the regime--did not report on these incidents. What can you tell us in this regard?

[Answer] I disagree. We are basically speaking about the last years of the military regime because otherwise we would have to make a very long study. The last years of the regime are those linked with the transition process and during this period there was freedom of expression, there were television programs that openly attacked the armed forces and the military government. Moreover, there were independent magazines. You can be certain that if there were terrorist activities at the time these political groups would have reported them. There was never any intention to hide anything, and I am being completely sincere about this. The truth is that there were no terrorist activities during the military regime.

[Question] Do you believe that like in other Latin American countries, terrorism can pose a threat to democracy in Peru?

[Answer] It is obvious that a terrorist escalation causes insecurity in a country, not only regarding public order but also regarding production, tourism and investments. It is obvious that it is the duty of the government to use the necessary means to eradicate terrorism as soon as possible since it is a threat to the stability of a democratic system. But these actions must be quick, effective and well coordinated. Terrorism should not be allowed to spread; it must be eradicated quickly.

[Question] In your first answer you made a distinction between leftist sectors--something very similar to what Armando Villanueva usually does. Do you agree with those who feel that the left is being deceitful and using democratic measures to destabilize the government?

[Answer] Well, when we speak of the left we must first make very clear that there is also a non-Marxist leftist sector...

[Question] The APRA [American Revolutionary Popular Alliance]?

[Answer] I would say that the Christian Democrats maintain a very clear non-Marxist leftist position, but unfortunately it has been unable to achieve an important following in Peru and is very limited from the political organization point of view. APRA is--or should be according to its origin--a non-Marxist leftist party. I would say that the APRA does not have to establish other political contacts to show the country that it is a non-Marxist leftist party.

[Question] How about the Marxist leftist sector...

[Answer] I have a clear classification for them, but I do not want to talk about their intentions or my views on them because all that is very subjective. There

is a leftist sector that thinks that it may be a political alternative for the country and that it is not a part of the "popular struggle" in the subversive sense. But I reassert that there is another leftist faction that believes that power cannot be achieved without a "popular struggle." I want to note, moreover, that if there are Marxist groups that promote the destabilization of the government, they are digging their own graves. We must have proper evidence to state whether they are being deceitful, but I do not like to be subjective. I view the overall situation of the leftist sectors.

[Question] What is your view on the Popular Action Party (AP)?

[Answer] The AP has obviously experienced a political victory. But we must also accept that in a little over a year since it assumed power there has been a notorious political drain in the government party.

[Question] How do you view the future? Do you agree with experts who say that the erosion affecting the government party, the small national projection of the PPC [Popular Christian Party] and the divisions in the APRA will favor the left in 1985?

[Answer] It is very difficult to talk about possibilities in political matters. We must, therefore, view the issue in general terms: strong and coherent institutions are indispensable for maintaining a democratic system. Since you have mentioned the APRA, I must note that it is unfortunate for a democratic system to have a traditional and historically important party in Peru that has experienced a schism. You have expressed quite clearly my views on the PPC. The leftist sectors have a tendency to unite under what is called the Leftist United Front, but I do not believe it will be a future alternative; not as things are now, they lack coherence. There may be ad hoc fronts formed, like in last year's municipal elections. But right now I do not see any possibility of a programmed front within the left. However, we cannot deny the possibility that they may unite by 1985 since we are only in 1981, although we must take into account the evolution of the other parties. The government party is experiencing a premature erosion [not further specified]. Will it take measures to avoid any future erosion? Will it enforce certain policies so that its image will improve by 1985? These are questions that can only be answered by the political groups in question.

CSO: 3010/270

EDITORIAL VIEWS LEFT, OPPOSITION'S ROLE

PY051237 Lima OIGA in Spanish 12 Oct 81 p 11

[Editorial: "Why Overthrow the Government?"]

[Text] A few days ago a friend of mine having strong ties with the Marxist leftist sector was telling me: "The left is going to give the government a hard blow in all sectors. And there will be no respite. It has to win this match now, before the system becomes stronger and before oil is found."

"Is it true that there are large oil deposits in the jungle?"

"Yes, of course. And the left knows this. This is why it is unceasingly attacking the government and it will continue to do so, each time with greater intensity, because if the revolution is to thrive, it is necessary to overthrow the bourgeois government. But this must be done now since oil may be a decisive factor for its stability."

My friend started to use the language of the ultra leftists and I started to lose my patience.

"But we must be a bit patriotic. Oil will not only be good for this government but for the entire country."

"But this is not merely my point of view. The left believes that its political possibilities will slip away if this government, if the traditional democratic system becomes stronger."

"But by doing so they are merely opening the path to another military coup and this will mean that they will also lose."

"They are aware of that. But what are their advantages with the strengthening of the present government? On the other hand the group that confronts a military dictatorship--which will be undoubtedly the left--will become stronger; moreover, it will be easier to infiltrate a replay of the first stage of the military regime. With a 'coup' the left will not lose, according to its particular point of view; on the contrary, it is part of its long-term strategy."

"I understand. The armed struggle, Nicaragua, San Salvador [as published], Colombia..."

This dialogue has been going around in my head and I believe it is interesting to pass it on to my readers and use it as a basis to make certain reflections on the present national situation. The situation is increasingly more cause for concern in view of the irresponsible action of some sectors which cannot see beyond their noses and only have their own selfish interests in mind in encouraging a "coup": in view of the escalation of terrorist activities--something this magazine has been vainly warning about for months--and in view of the lack of coherent and coordinated action not only within the government but also within the democratic opposition sector.

Just as the government seems to be grasping the problems that its economic policy has infringed upon our industry--particularly in some sectors--of its disastrous effects on our national development and that it has seriously undermined President Belaunde's objectives of creating new, stable, and well-paid jobs; just as people started to believe that significant and fruitful changes were going to take place in the economic sector, the government experiences a political crisis. Moreover, this takes place just as terrorism is becoming part of our daily bread.

It is not just the recent offense that the Foreign Ministry experienced at the hand of the Senate which refused to approve the appointment of Javier Perez de Cuellar as Belaunde's ambassador to Brazil. This is one of those foolish things senators have a right to do. Nevertheless, it is something that is unjust since others who were real members of the military government, have been approved by the same senators. Moreover, in this case the only loser is Peru since it will not have the services of a brilliant ambassador who is perhaps the most respected Latin American diplomat at the international level.

Furthermore, the normal disagreements that may exist between the many government leaders must be aired through other means and in other fields. It seems that in this case the Foreign Ministry committed the inexcusable political error of offending the Senate by refusing to negotiate with its leadership. Neither is it just the disagreements that some Popular Action Party (AP) senators--those who want to blindly lash out--may have with Interior Minister De la Jara, who insists on relying only on the police when it has been proven that the police lack both means and capacity to obtain information and to infiltrate terrorist activities, the only effective method to eradicate the most dangerous scourge of our days.

While the Marxist left is taking decisive actions with a violent precision, democracy is wavering. It is showing a lack of coordination and inconsistency at all levels. It is not even able to staunchly defend the worth of the system in those cases of corruption at the government level, since it is precisely because of the enforcement of democracy that these affairs can be discussed in public and those responsible taken to the courts.

What is more, the opposition is even less aware of how it should properly play its role. In this regard I believe it is worth mentioning something we have recently read and which describes the situation quite well: opposition parties still do not understand the role they are to play in a democratic system. The opposition is merely another alternative of power when a government comes to an end.

Meanwhile its main and irrevocable function is to watch that the executive adheres to its election programs and fulfills them precisely without any inexplicable variations and in compliance with those constitutional measures that guarantee democratic coexistence.

"The opposition is not there merely to say 'I would do this differently.' Its function is to denounce and propose. Moreover, it must openly support any government program that is in keeping with its guidelines and with national needs.

"The common objective of all, the government and the opposition alike, should be the well-being of the state and society. This is why it is morally reproachable and politically useless to obstruct government activities since, after all, the programs of the majority party deserve the approval of the people."

CSO: 3010/269

TROTSKYITE REPORTEDLY KILLED BY CIVILIAN POLICE

PY051509 Paris AFP in Spanish 1731 GMT 1 Nov 81

[Text] Lima, 1 Nov (AFP)--While the Peruvian police refrain from referring to the strange death of former Peruvian Trotskyite leader Jose Fonken Piedra, four nights ago his relatives have announced that they are gathering proof in order to charge the intelligence department of the civilian police with responsibility for his death.

Fonken's body, which was buried yesterday, according to his relatives was kept hidden by the police from the day he died, 16 October, until 23 October when it was discovered by them at the Villarreal University morgue where it had been delivered as the body of an unidentified person.

Fonken, 54 years old, who had a police record ever since his adolescence for his political and subversive activities since he also took part in the guerrilla campaigns in 1960, died when on the aforementioned date he jumped from the second story of a boarding house which the police seemingly raided. From there he was taken to the Dos De Mayo Hospital and later on delivered to the aforementioned university morgue.

However, [name indistinct], Fonken's wife stated that her husband died as a consequence of the mistreatment he had received from members of the intelligence department of the civilian police during a questioning session.

Fonken's wife wondered what reasons the police may have had for not informing his relatives of his death despite the fact that she had been investigating his whereabouts in several departments since 17 October. She said that she had learned about her husband's death from a physician who gave her the information confidentially.

The former leader who had lately retired from all political activities has 13 children from his two marriages.

Political leaders who attended his funeral suggested that the strange circumstances of Fonken's death be investigated by the human rights commissions of the two congress chambers.

CS0: 3010/270

BRIEFS

FORMER PRESIDENT ON ECONOMIC POLICY--Former Peruvian President Francisco Morales Bermudez yesterday publicly stated his disagreement with the economic policy of President Fernando Belaunde's constitutional regime. Morales Bermudez explained that he is not in agreement with customs tax reductions decided by the current administration. He also said that he disagrees with the current system of free imports and criticized the way prices are being handled because they have been climbing too high. Bermudez also stated that he was in favor of maintaining subsidies for certain goods. These issues were briefly discussed by the former president during his visit to the Lima Justice Palace where he appeared as a witness in the much-ballyhooed "Svires affaire." During his talk with representatives of various news media, Morales Bermudez refused to make any further comments on the economic issue because, he said, it calls for an in-depth analysis. [Text] [PY101816 Lima EL COMERCIO in Spanish 30 Oct 81 p A4]

SOVIET DELEGATION--Soviet cosmonaut (Valeriy Kusnetsov) has arrived in Lima at the head of a Soviet delegation. The delegation was invited by the Peruvian Peace Committee to participate in the ceremonies commemorating the 64th anniversary of the October revolution. [PY042140 Lima Domestic Service in Spanish 1200 GMT 4 Nov 81]

CANADIAN LOAN FOR REFORESTATION--Through an agreement to be signed on 10 November, the Canadian Government will grant Peru a loan of 35 million Canadian dollars for the reforestation development program. [PY071737 Lima Domestic Service in Spanish 1200 GMT 7 Nov 81]

CUSTOMS STRIKE DECLARED ILLEGAL--Lima, 4 Nov (AFP)--It was reported here today that the 21-day strike of Peruvian customs workers, which has already caused the government a loss of 40 billion soles (\$87 million), has been declared illegal. The workers of the 24 customs offices of Peru, which are filled with merchandise, are demanding salary increases which, according to officials, cannot be granted because of legal and budget reasons. Noting that the strike is causing serious damage to economic activities, the government has authorized the national customs management to enforce administrative and disciplinary actions against the workers on strike. Although the Economy and Finance Ministry issued several measures some days ago to expedite the withdrawal of stocks stored in the customs offices, these offices are still filled with merchandise. It has been noted that Bolivian trade has been affected since import and export cargoes are blocked in the Peruvian ports of Mollendo and Matarani which are used by Bolivia for this purpose. [Text] [PY071519 Paris AFP in Spanish 1641 GMT 4 Nov 81]

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